

**DEPARTMENT OF COMMERCE****Patent and Trademark Office****37 CFR Parts 1, 41, and 42**

[Docket No. PTO–P–2022–0033]

RIN 0651–AD64

**Setting and Adjusting Patent Fees During Fiscal Year 2025**

**AGENCY:** United States Patent and Trademark Office, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** The United States Patent and Trademark Office (USPTO) sets or adjusts patent fees as authorized by the Leahy-Smith America Invents Act (AIA), as amended by the Study of Underrepresented Classes Chasing Engineering and Science Success Act of 2018 (SUCCESS Act). The fee adjustments are needed to provide the USPTO with sufficient aggregate revenue to recover the aggregate estimated costs of patent operations in future years (based on assumptions and estimates found in the agency’s Fiscal Year 2025 Congressional Justification (FY 2025 Budget)), including implementing the USPTO 2022–2026 Strategic Plan (Strategic Plan).

**DATES:** This rule is effective on January 19, 2025. The amendments to § 1.18(b)(1) shall apply to those international design applications under the Hague Agreement having a date of international registration on or after January 19, 2025.

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**SUPPLEMENTARY INFORMATION:****I. Executive Summary***A. Introduction*

The USPTO issues this final rule under section 10 of the AIA (section 10), Public Law 112–29, 125 Stat. 284, available at <https://www.congress.gov/112/plaws/publ29/PLAW-112publ29.pdf>, as amended by the SUCCESS Act, Public Law 115–273, 132 Stat. 4158, available at <https://www.congress.gov/115/plaws/publ273/PLAW-115publ273.pdf>, which authorizes the Under Secretary of Commerce for Intellectual Property and Director of the USPTO (Director) to set or adjust by rule any patent fee established, authorized, or charged

under 35 U.S.C. for any services performed or materials furnished by the agency. Section 10 prescribes that fees may be set or adjusted only to recover the aggregate estimated costs to the USPTO for processing, activities, services, and materials relating to patents, including administrative costs with respect to such patent fees. Section 10 authority includes flexibility to set individual fees in a way that furthers key policy factors while considering the cost of the respective services. Section 10 also establishes certain procedural requirements for setting or adjusting fee regulations, such as public hearings and input from the Patent Public Advisory Committee (PPAC), a public comment period, and congressional oversight.

*B. Purpose of This Action*

Based on a biennial review of fees, costs, and revenues that began in fiscal year (FY) 2021, the USPTO concluded that fee adjustments are necessary to provide the agency with sufficient financial resources to facilitate the effective administration of the U.S. patent system, including implementing the Strategic Plan, available on the agency website at <https://www.uspto.gov/StrategicPlan>. The USPTO reviewed and analyzed the overall balance between the agency’s estimated revenue and costs over the next five years (based on current projections) under this rule. The fees established under this final rule will help stabilize the USPTO’s finances by offsetting the forecasted increase in aggregate costs and maintaining the patent operating reserve in the desired range. The patent operating reserve mitigates financing risk and enables the agency to deliver reliable and predictable service levels, while positioning it to undertake initiatives that encourage participation in the innovation ecosystem.

The individual fee adjustments align with the USPTO’s strategic goals and its fee structure philosophy, including the agency’s four key fee setting policy factors discussed in detail in Part IV: Rulemaking Goals and Strategies of this rule: (1) promote innovation strategies, (2) align fees with the full costs of products and services, (3) facilitate effective administration of the U.S. patent system, and (4) offer application processing options. The fee adjustments in this final rule will enable the USPTO to accomplish its mission to drive U.S. innovation, inclusive capitalism, and global competitiveness.

*C. Summary of Provisions Impacted by This Action*

This final rule sets or adjusts 433 patent fees for undiscounted, small, and micro entities, including the introduction of 52 new fees. Any reference herein to “undiscounted entity” includes all entities other than those with established entitlement to either a small or micro entity fee discount, see Part II: Background of this rule for more information.

Overall, discussed in detail below, the routine fees to obtain a patent (*i.e.*, filing, search, examination, and issue fees) will increase under this final rule relative to the current fee schedule to ensure financial sustainability and accommodate increases needed to improve the predictability and reliability of patent intellectual property (IP) protection. Applicants who meet the eligibility criteria for small or micro entity discounts will continue to pay a reduced fee for the fees eligible for discount under AIA section 10(b). Additional information describing the fee adjustments established by this final rule is included in Part V: Individual Fee Rationale in this rulemaking and in the “Table of Patent Fees—Current, Final Patent Fee Schedule, and Unit Cost” (Table of Patent Fees) available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

*D. Summary of Costs and Benefits of This Action*

This final rule is 3(f)(1) significant and requires a Regulatory Impact Analysis (RIA) under Executive Order (E.O.) 12866, Regulatory Planning and Review, (Sept. 30, 1993). The USPTO prepared an RIA to analyze the costs and benefits of the final rule over a five-year period, FY 2025–29. The RIA includes an analysis of how well the four alternatives align with the rulemaking strategies and goals, which are comprised of strategic priorities (goals, objectives, and key performance strategies) from the Strategic Plan and fee setting policy factors. From this conceptual framework, the USPTO assessed the absolute and relative qualitative costs and benefits of each alternative. Consistent with Office of Management and Budget (OMB) Circular A–4, “Regulatory Analysis” (see 88 FR 77615, Nov. 13, 2023), this final rule involves a transfer payment from one group to another. The USPTO recognizes that it is very difficult to precisely monetize and quantify social costs and benefits resulting from deadweight loss of a transfer rule such as this final rule. The costs and benefits

identified and analyzed in the RIA are strictly qualitative. Qualitative costs and benefits have effects that are difficult to express in either dollar or numerical values. Monetized costs and benefits, on the other hand, have effects that can be expressed in dollar values. The USPTO did not identify any monetized costs and benefits of this final rule but found this final rule has significant qualitative benefits and only minimal costs.

The RIA assesses the qualitative costs and benefits with respect to fee schedule design—how well the fee schedule aligns to the key fee setting policy factors—and securing aggregate revenue to recover aggregate cost—whether the alternative provides adequate revenue to support the core mission and strategic priorities

described in the final rule, Strategic Plan, and FY 2025 Budget. Based on the costs and benefits identified and analyzed in the RIA, the fee schedule detailed in this final rule offers the highest net benefits. As described throughout this document, the final fee schedule maintains the existing balance of below cost entry fees (e.g., filing, search, and examination) and above cost maintenance fees as one approach to foster innovation. Further, as detailed in Part V: Individual Fee Rationale of this rule, the fee changes are targeted in support of one or more fee setting policy factors. Lastly, this final rule secures the aggregate revenue needed to maintain patent operations and achieve the strategic priorities encompassed in the

rulemaking goals and strategies (see Part IV: Rulemaking Goals and Strategies of this rule). The final fee schedule produces sufficient aggregate revenue to fund the strategic objectives to issue and maintain robust and reliable patents, improve patent application pendency, optimize the patent application process to enable efficiencies for applicants and other stakeholders, and enhance internal processes to prevent fraudulent and abusive behaviors that do not embody the USPTO’s mission. Table 1 summarizes the RIA results. Additional details describing the costs and benefits can be found in the RIA, available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

Table 1: Final Patent Fee Schedule Costs and Benefits, Cumulative FY 2025–29

<b>Qualitative costs and benefits</b>	
<b>Costs</b>	
Fee schedule design	Minimal
<b>Benefits</b>	
Secure aggregate revenue to recover aggregate Costs	Significant
Fee schedule design	Significant
<b>Net benefit</b>	<b>Significant benefit</b>

**II. Background**

Section 10(a) of the AIA authorizes the Director to set or adjust by rule any patent fee established, authorized, or charged under 35 U.S.C. for any services performed or materials furnished by the agency. Fees under 35 U.S.C. may be set or adjusted only to recover the aggregate estimated costs to the USPTO for processing, activities, services, and materials related to patents, including administrative costs to the agency with respect to such patent operations. See 125 Stat. at 316. Provided that fees in the aggregate achieve overall aggregate cost recovery, the Director may set individual fees under section 10 at, below, or above their respective cost. Section 10(e) requires the Director to publish the final fee rule in the **Federal Register** and the USPTO’s *Official Gazette* at least 45 days before the final fees become effective.

Section 10 authorizes the USPTO to set or adjust patent fees within the regulatory process. The USPTO has used the AIA’s fee setting authority to achieve its key fee setting policy factors

and to generate the aggregate revenue needed to recover the aggregate estimated costs of operations and strategic patent priorities in final rules published in FY 2013 (“Setting and Adjusting Patent Fees,” 78 FR 4212 (Jan. 18, 2013)), FY 2018 (“Setting and Adjusting Patent Fees During Fiscal Year 2017,” 82 FR 52780 (Nov. 14, 2017)), and FY 2020 (“Setting and Adjusting Patent Fees During Fiscal Year 2020,” 85 FR 46932 (Aug. 3, 2020) (FY 2020 Final Rule)).

Section 4 of the SUCCESS Act amended section 10(i)(2) to provide that the Director’s authority to set or adjust any fee under section 10 will end on September 16, 2026. While the fees established by this rule will remain in effect in perpetuity or until adjusted by a future rulemaking, the Director’s authority to initiate new rulemakings to set or adjust fees will expire on that date.

On December 29, 2022, the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American

Innovators Act (UAIA). The UAIA, available at <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>, increased fee discounts for small entities from 50% to 60% and fee discounts for micro entities from 75% to 80% for fees for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents. The UAIA also increased fee discounts for small entities from 75% to 80% for filing a basic, nonprovisional utility application electronically. See Consolidated Appropriations Act, 2023, Public Law 117–328; “Reducing Patent Fees for Small Entities and Micro Entities Under the Unleashing American Innovators Act of 2022,” 88 FR 17147 (Mar. 22, 2023).

Section 10(b) of the AIA, as amended by the UAIA, requires the USPTO to reduce by 60% the fees for small entities that are set or adjusted under section 10(a) for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents.

Section 10(g) of the AIA amended 35 U.S.C chapter 11 by adding section 123 concerning micro entities. The AIA, as amended by the UAIA, provides that the USPTO must reduce by 80% the fees for micro entities for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents.

When adopting fees under section 10, the Director must provide PPAC the proposed fees at least 45 days prior to publishing in the **Federal Register**.

PPAC then has 30 days to deliberate, consider, and comment on the proposal, as well as hold public hearings on the proposed fees. Before the USPTO issues any final fees, PPAC must make a written report available to the public of the comments, advice, and recommendations of the committee regarding the proposed fees. The USPTO must consider and analyze any comments, advice, or recommendations received from PPAC before finally setting or adjusting fees.

Consistent with this framework, on April 20, 2023, the Director notified PPAC of the USPTO's intent to set or adjust patent fees and submitted a preliminary patent fee proposal with supporting materials, which are available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>. PPAC held a public hearing at the USPTO's headquarters in Alexandria, Virginia, on May 18, 2023, where members of the public were given an opportunity to provide oral testimony. Transcripts of the hearing are available on the USPTO website at [https://www.uspto.gov/sites/default/files/documents/PPAC\\_Hearing\\_Transcript-20230518.pdf](https://www.uspto.gov/sites/default/files/documents/PPAC_Hearing_Transcript-20230518.pdf). Members of the public were also given an opportunity to submit written comments for PPAC to consider, and these comments are available on [Regulations.gov](https://www.regulations.gov) at <https://www.regulations.gov/document/PTO-P-2023-0017-0001>. On August 14, 2023, PPAC issued a written report setting forth in detail their comments, advice, and recommendations regarding the preliminary proposed fees. The report is available on the USPTO website at <https://www.uspto.gov/sites/default/files/documents/PPAC-Report-on-2023-Fee-Proposal.docx>.

The USPTO considered and analyzed all comments, advice, and recommendations received from PPAC before publishing the notice of proposed rulemaking (NPRM), "Setting and Adjusting Patent Fees during Fiscal Year 2025," in the **Federal Register** on April 3, 2024, at 89 FR 23226. The NPRM and associated materials are available at <https://www.uspto.gov/>

*FeeSettingAndAdjusting*. Likewise, before issuing this final rule, the agency considered and analyzed all comments, advice, and recommendations received from the public during the 60-day comment period on the NPRM that closed on June 3, 2024. The agency's response to comments received is available in Part VI: Discussion of Comments of this rule.

### III. Estimating Aggregate Costs and Revenues

Section 10 prescribes that patent fees may be set or adjusted only to recover the aggregate estimated costs to the USPTO for processing, activities, services, and materials relating to patents, including administrative costs with respect to such patent fees. The following is a description of how the USPTO calculates aggregate costs and revenue.

#### *Step 1: Estimating Prospective Aggregate Costs*

Estimating prospective aggregate costs is accomplished primarily through the annual USPTO budget formulation process. The budget is a five-year plan for carrying out base programs and new initiatives to deliver on the USPTO's statutory mission and implement strategic goals and objectives.

First, the USPTO projects the level of demand for patent products and services. Demand for products and services depends on many factors that are subject to change, including domestic and global economic activity. The USPTO also considers overseas patenting activities, policies and legislation, and known process efficiencies. Because filing, search, and examination costs are the largest share of the total patent operating costs, a primary production workload driver is the number of patent application filings (*i.e.*, incoming work to the USPTO). The USPTO looks at indicators such as the expected growth in Real Gross Domestic Product (RGDP), a leading indicator of incoming patent applications, to estimate prospective workload. RGDP is reported by the Bureau of Economic Analysis and is forecasted each February by the OMB in the Economic and Budget Analyses section of the Analytical Perspectives and twice annually by the Congressional Budget Office (CBO) in the Budget and Economic Outlook.

The expected workload must then be compared to the current examination capacity to determine any required staffing and operating cost (*e.g.*, salaries, workload processing contracts, and publication) adjustments. The USPTO uses a patent pendency model to

estimate patent production output based on actual historical data and input assumptions, such as incoming patent applications and overtime hours. An overview of the model, including a description of inputs, outputs, key data relationships, and a simulation tool is available at <https://www.uspto.gov/learning-and-resources/statistics/patent-pendency-model>.

Next, the USPTO calculates budgetary spending requirements based on the prospective aggregate costs of patent operations. First, the USPTO estimates the prospective costs of status quo operations (base requirements). Then, the base requirements are adjusted for anticipated pay increases and inflationary increases for the budget year and four outyears. The USPTO then estimates the prospective costs for expected changes in production workload and new initiatives over the same period. The USPTO reduces cost estimates for completed initiatives and known cost savings expected over the same five-year horizon. A detailed description of the budgetary requirements, aggregate costs, and related assumptions for the Patents program is available in the FY 2025 Budget.

The USPTO estimates that the Patents program will cost \$3.973 billion in FY 2025, including \$2.835 billion for patent examining; \$90 million for patent trial and appeals; \$159 million for patent information resources; \$24 million for activities related to IP protection, policy, and enforcement; and \$866 million for general support costs necessary for patent operations (*e.g.*, the patent share of rent, utilities, legal, financial, human resources, other administrative services, and agency-wide information technology (IT) infrastructure and IT support costs). See Appendix II of the FY 2025 Budget. In addition, the USPTO will transfer \$2 million to the Department of Commerce Inspector General for audit support.

Table 2 below provides key underlying production workload projections and assumptions from the FY 2025 Budget used to calculate aggregate costs. Table 3 (see Step 2) presents the total budgetary requirements (prospective aggregate costs) for FY 2025 through FY 2029 and the estimated collections and operating reserve balances that would result from the adjustments contained in this final rule. These projections are based on point-in-time estimates and assumptions that are subject to change. There is considerable uncertainty in out-year budgetary requirements. There are risks that could materialize over the next several years (*e.g.*, adjustments to

examination capacity, higher contracting costs, changes in workload, and other inflationary increases, etc.)

that could increase the USPTO’s budgetary requirements. These

estimates are refreshed annually in the production of the USPTO’s budget.

Table 2: Patent Production Workload Projections, FY 2025–29

Utility, plant, and reissue (UPR)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Applications*	609,400	615,400	623,600	629,600	642,200
Application growth rate	2.1%	1.0%	1.3%	1.0%	2.0%
Production units**	557,000	577,300	602,300	621,100	639,000
Unexamined patent application inventory	817,900	820,200	811,600	789,400	780,000
Examination capacity***	8,833	9,276	9,589	9,867	10,135
<b>Performance measures (UPR)</b>					
Average first action pendency (Months)	20.7	20.7	21.0	20.6	21.3
Average total pendency (months)	26.1	27.2	26.6	26.4	25.7

\* In this table, the patent application filing data includes requests for continued examination.

\*\* Each serial new (i.e., non-request for continued examination) application carries 1 production unit or 2.0 counts, a fraction of which is awarded for each major Office action type. In most, but not all cases, requests for continued examination carry a fraction of a production unit (e.g., 1.75 counts) and the credit for a first action is reduced by a corresponding amount.

\*\*\* In this table, examination capacity is the UPR examiners onboard at end-of-year, as described in the FY 2025 Budget.

*Step 2: Estimating Prospective Aggregate Revenue*

As described above in Step 1, the USPTO’s prospective aggregate costs (as presented in the FY 2025 Budget) include budgetary requirements related to planned production, anticipated new initiatives, and a contribution to the patent operating reserve required for the USPTO to maintain patent operations and realize its strategic goals and objectives for the next five years. The prospective aggregate costs become the

target aggregate revenue level that the new fee schedule must generate in a given year over the five-year planning horizon. To estimate aggregate revenue, the USPTO references the production models used to estimate aggregate costs and analyzes relevant factors and indicators to calculate or determine prospective fee workloads (e.g., number of applications and requests for services and products).

Economic activity is an important consideration when developing workload and revenue forecasts for

patent products and services because economic conditions affect patenting activity. Major economic indicators include the overall condition of the U.S. and global economies, spending on research and development activities, and investments that lead to the commercialization of new products and services. These indicators correlate with patent application filings, which are a key driver of patent fees. Economic indicators also provide insight into market conditions and the management of IP portfolios, which influence

application processing requests and post-issuance decisions to maintain patent protection. When developing fee workload forecasts, the USPTO considers other influential factors including overseas activity, policies and legislation, court decisions, process efficiencies, and anticipated applicant behavior.

Anticipated applicant behavior in response to fee changes is measured using an economic principle known as elasticity, which for the purpose of this final rule measures how sensitive applicants and patentees are to changes in fee amounts. The higher the elasticity measure (in absolute value), the greater the applicant response to the relevant fee change. If elasticity is low enough (*i.e.*, the elasticity measure is less than one in absolute value and demand is inelastic), a fee increase will lead to only a relatively small decrease in patent activities, and overall revenues will still increase. Conversely, if elasticity is high enough (*i.e.*, the elasticity measure is greater than one in absolute value and demand is elastic), a fee increase will lead to a relatively large decrease in patenting activities such that overall revenues will decrease. When developing fee forecasts, the USPTO accounts for how applicant behavior will change at different fee amounts projected for the various patent services. The USPTO previously analyzed elasticity for nine broad patent

fee categories: filing/search/examination fees, excess independent claims fees, excess total claims fees, application size (excess page) fees, issue fees, request for continued examination (RCE) fees, appeal fees, AIA trial fees, and maintenance fees, including distinctions by entity size where applicable. Additional information about how the USPTO estimates elasticity is provided in “Setting and Adjusting Patent Fees during Fiscal Year 2020—Description of Elasticity Estimates,” available on the USPTO website at [https://www.uspto.gov/sites/default/files/documents/Elasticity\\_Appendix.docx](https://www.uspto.gov/sites/default/files/documents/Elasticity_Appendix.docx).

As required by law, the USPTO collects fees for patent-related services and products at different points in time within the patent application examination process and over the life of the pending patent application and granted patent to finance the associated work for providing those services. Maintenance fee payments account for about half of all patent fee collections and subsidize the cost of filing, search, and examination activities. Changes in application filing levels immediately impact current year fee collections. Fewer patent application filings mean the USPTO collects fewer fees to devote to production-related costs in the current pipeline. The production output in one-year impacts outyear revenue because less output in one year leads to

fewer issue and maintenance fee payments in future years.

The USPTO’s five-year estimated aggregate patent fee revenue (see table 3) is based on the number of patent applications it expects to receive for a given fiscal year, work it expects to process in a given fiscal year (an indicator of patent issue fee workloads), expected examination and process requests for the fiscal year, and the expected number of post-issuance decisions to maintain patent protection over that same fiscal year. Within the iterative process for estimating aggregate revenue, the USPTO adjusts individual fee rates up or down based on cost and policy decisions, estimates the effective dates of new fee rates, and multiplies the resulting fee rates by workload volumes (including elasticity adjustments) to calculate a revenue estimate for each fee. For the aggregate revenue estimates shown below, the USPTO assumes that all final rule fee rates will become effective on January 18, 2025. Using these figures, the USPTO sums the individual fee revenue estimates, and the result is a total aggregate revenue estimate for a given year (see table 3). The aggregate revenue estimate also includes collecting \$50 million annually in other income associated with recoveries and reimbursable agreements (offsets to spending).

Table 3: Patent Financial Outlook, FY 2025–29

	Dollars in millions				
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Projected fee collections	3,963	4,240	4,343	4,308	4,317
Other income	50	50	50	50	50
Total projected fee collections and other income	4,013	4,290	4,393	4,359	4,367
Budgetary requirements	3,975	4,102	4,268	4,431	4,600
Funding to (+) and from (-) operating reserve	38	188	125	(72)	(233)
End-of-year operating reserve balance	831	1,019	1,145	1,073	840
Over/(under) minimum level	513	691	803	719	472
Over/(under) optimal level	(44)	117	206	98	(172)

#### IV. Rulemaking Goals and Strategies

##### A. Fee Setting Strategy

The strategy of this final rule is to establish a fee schedule that generates sufficient multi-year revenue to recover the aggregate estimated costs of maintaining USPTO patent operations. The overriding principles behind this strategy are to operate within a sustainable funding model that supports the USPTO's strategic goals and objectives, such as optimizing patent application pendency through the promotion of efficient operations and filing behaviors, issuing robust and reliable patents, and encouraging access to the patent system for all stakeholders.

The USPTO assessed this final rule for alignment with four key fee setting policy factors: (1) promoting innovation strategies seeks to ensure barriers to entry into the U.S. patent system remain low, and innovation is incentivized by granting inventors certain short-term exclusive rights to stimulate additional inventive activity; (2) aligning fees with the full costs of products and services recognizes that some applicants may use particular services in a more costly manner than other applicants (*e.g.*, patent applications cost more to process when more claims are filed); (3) facilitating the effective administration of the U.S. patent system seeks to encourage patent prosecution strategies that promote efficient patent prosecution, resulting in compact prosecution and reduction in the time it takes to obtain a patent; and (4) offering application processing options, where feasible, in recognition that patent prosecution is not a one-size-fits-all process. Part V: Individual Fee Rationale of this rule describes the reasoning for setting and adjusting individual fees, including the design benefits of the final fee schedule. The RIA, available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>, also discusses fee schedule design benefits.

In the event any provision is invalidated or held to be impermissible as a result of a legal challenge, the "remainder of the regulation could function sensibly without the stricken provision." *Belmont Mun. Light Dep't v. FERC*, 38 F.4th 173, 187 (D.C. Cir. 2022) (quoting *MD/DC/DE Broad. Ass'n v. FCC*, 236 F.3d 13, 22 (D.C. Cir. 2001)). The USPTO views each fee in this final rule as able to stand on its own and to "function sensibly" without the others. This means that in the event that a reviewing court were to find that any one fee setting or fee adjustment was invalid, that finding would not affect

the fees or adjustments enacted elsewhere in the rule. Therefore, in the event that any portion of this final rule is held to be invalid or impermissible, the USPTO intends that the remaining aspects of the regulatory provisions, and fees set and adjusted therein, remain valid.

##### B. Fee Setting Considerations

The balance of this sub-section presents the specific fee setting considerations the USPTO reviewed in developing the final patent fee schedule: (1) historical cost of providing individual services, (2) the balance between projected costs and revenue to meet the USPTO's operational needs and strategic goals, (3) ensuring sustainable funding, and (4) PPAC's comments, advice, and recommendations on the USPTO's initial fee setting proposal and the public comments received in response to the April 2024 NPRM. Collectively, these considerations inform USPTO's chosen rulemaking strategy.

###### 1. Historical Cost of Providing Individual Services

The USPTO sets individual fee rates to further key policy considerations while considering the cost of a particular service. For instance, the USPTO has a longstanding practice of setting basic filing, search, and examination ("front-end") fees below the actual cost of processing and examining applications to encourage innovators to take advantage of patent rights and protections; these costs are subsidized by aggregate patent revenues elsewhere.

The USPTO considers unit cost accounting data provided by its Activity Based Information (ABI) program to evaluate the cost to provide specific services and then decide how to best align fees for particular services to recover the aggregate costs of all products and services. Using historical cost data and forecasted application demands, the USPTO can align fees to the costs of specific patent products and services. Additional information on the USPTO's costing methodology in addition to the last three years of historical cost data is provided in the document titled "Setting and Adjusting Patent Fees during Fiscal Year 2025—Activity Based Information and Patent Fee Unit Expense Methodology," available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>. Part V: Individual Fee Rationale of this rule describes the reasoning and anticipated benefits for setting some individual fees

at cost, below cost, or above cost such that the USPTO recovers the aggregate costs of providing services through aggregate fee collections.

###### 2. Balancing Projected Costs and Revenue

In developing this final patent fee schedule, the USPTO considered its current estimates of future year workload demands, fee collections, and costs to maintain core USPTO operations and meet its strategic goals as found in the FY 2025 Budget and the Strategic Plan. The USPTO's strategic goals include driving inclusive U.S. innovation and global competitiveness, promoting the efficient delivery of reliable IP rights, promoting the protection of IP against new and persistent threats, bringing innovation to impact, and generating impactful employee and customer experiences by maximizing agency operations. The following subsections provide details regarding updated revenue and cost estimates, cost-saving efforts taken by the USPTO, and planned strategic improvements.

###### a. Updated Revenue and Cost Estimates

Projected revenue from the current fee schedule is insufficient to meet future budgetary requirements (costs) due largely to unforeseen economic and policy factors since the USPTO last exercised its rulemaking authority to set patent fees in the FY 2020 Final Rule. As further discussed below, increased fee discounts for small and micro entities under the UAIA have reduced revenue estimates. Higher-than-expected inflation in the broader U.S. economy and government-wide pay raises have increased the USPTO's forecasted operating costs. Also, the USPTO has increased special pay rates and undertaken efforts to offer other incentives to recruit and retain examiners and other employees in patent specific job series in order to remain competitive in the job market for science, technology, engineering, and mathematics (STEM) workers. The USPTO is required by law to finance operations by recovering fees for the services offered by the agency. Not implementing the final rule would result in insufficient fee collections to process the anticipated work volumes, impacting stakeholders and failing to deliver on the USPTO mission.

On December 29, 2022, the President signed into law the Consolidated Appropriations Act, 2023, which included the UAIA. The law reduced barriers to entry into the patent system by increasing small entity discounts from 50% to 60% and micro entity

discounts from 75% to 80%. The USPTO estimated as part of its Fiscal Year 2024 Congressional Justification (FY 2024 Budget) that these discounts would reduce projected fee collections by \$74 million in FY 2023 (partial year impact) and at least \$100 million per year beginning in FY 2024 (full year impact). In addition to increased entity discounts, the UAIA increases costs through its provision that requires that the USPTO establish a new Southeast Regional Office and four new community outreach offices, including one in northern New England. The USPTO must also conduct a study to determine whether additional offices are required to achieve AIA mandates and to increase participation of underrepresented inventors in the patent system.

Higher-than-expected inflation in the broader U.S. economy starting in 2021 increased the USPTO's operating costs above previous estimates for labor and nonlabor activities such as benefits, service contracts, and equipment. Salaries and benefits comprise 70% of all patent-related costs, and employee pay raises enacted across all U.S. government agencies—including the USPTO—in 2023 and 2024 were much larger than previously budgeted. Federal General Schedule (GS) pay was raised by 4.6% in 2023 and 5.2% in 2024; before 2023 the last time GS pay was raised by at least 4.0% was in 2004. The FY 2025 Budget includes an estimated 2.0% civilian pay raise planned in calendar year (CY) 2025 and assumed 3.0% civilian pay raises in CY 2026–29, as well as inflationary increases for other labor and nonlabor activities.

Similarly, the USPTO adjusted the patent special rate table (pay) for the first time since 2007. In 2007 the special rate table was set 11.4% to 31.4% above the GS pay table for the Washington, DC area because patent-related job fields require a highly educated and technical STEM workforce. This specialization has historically posed recruitment challenges for the agency, and the increased pay rates kept the USPTO competitive with private sector compensation opportunities. Prior to the adjustment, the differential above the GS pay table had diminished over the years, and by 2023 nearly half of the covered employees no longer received a specialized supplement above the GS counterparts—reducing the USPTO's competitive edge amongst both private and other Federal agencies. Following the change in 2024, the number of employees eligible for a specialized supplement increased, and the special rate table was set at 5.8% to 19.3% above the GS pay table for the

Washington, DC area for most covered employees. The objective of the special rate table change is to provide competitive compensation to patent employees, thereby reducing attrition and enhancing recruitment of qualified talent.

#### b. Cost-Saving Measures

The USPTO recognizes that fees cannot simply increase for every improvement deemed desirable. The agency has a responsibility to stakeholders to pursue strategic opportunities for improvement in an efficient, cost-conscious manner. Likewise, the USPTO recognizes its obligation to gain operational efficiency and reduce spending when appropriate. As noted in the FY 2023 Agency Financial Report (AFR), available on the agency website at <https://www.uspto.gov/AnnualReport>, total costs for the patent program increased 13.8% from FY 2019 to FY 2023; the Consumer Price Index for All Urban Consumers (CPI-U) grew by 19.9% over the same period. See CPI Inflation Calculator, U.S. Bureau of Labor Statistics, [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm).

The USPTO's FY 2025 Budget submission includes cost reducing measures such as giving up leased space in Northern Virginia and a moderate reduction in overall IT spending. In FY 2025, the USPTO estimates \$4,569 million in total spending for patent and trademark operations. This is a \$122 million net increase from the agency's FY 2024 estimated spending level of \$4,447 million. The net increase includes a \$224 million upward adjustment for prescribed inflation and other adjustments and a \$102 million downward adjustment in program spending and other realized efficiencies. This estimate builds on the \$40 million in annual real estate savings assumed in the FY 2024 Budget submission to include additional annual cost savings of \$12 million through releasing more leased space in Northern Virginia. The combined reduction in real estate space amounts to almost 1 million square feet and an estimated annual cost savings of approximately \$52 million. Also, the USPTO is actively pursuing IT cost containment. The FY 2025 budget includes a relatively flat IT spending profile despite upward pressure from inflation, supply chain disruptions, and government-wide pay raises; ongoing IT improvements that offer business value to fee-paying customers; and data storage costs increasing proportionally with the forecasted growth in patent and trademark applications. The USPTO will achieve this cost containment goal

via modern equipment in a new data center that will cost less to maintain and by retiring legacy IT systems. Both of these cost containment measures will further improve the USPTO's cybersecurity posture and increase system resiliency.

#### c. Efficient Delivery of Reliable IP Rights: Quality, Unexamined Inventory, and Pendency

The USPTO continuously works to improve patent quality, particularly the predictability, reliability, and robustness of issued patents. See the patent quality section of the USPTO's website, <https://www.uspto.gov/patents/quality-metrics>, for more information including statutory compliance measures, process measures, and perception measures. The USPTO's strategic goal to "promote the efficient delivery of reliable IP rights" recognizes the importance of innovation as a foundation of American economic growth and global competitiveness as well as the role the USPTO plays in encouraging these principles. The USPTO is committed to improving pendency to deliver timely, efficient services that help innovators bring their ideas and products to impact more quickly and efficiently. The USPTO diligently works to balance timely examination with improvements in patent quality, particularly the robustness and reliability of issued patents, while remaining mindful that patent applications are becoming increasingly more complex and that technologies are converging. To address these challenges, the USPTO must continue to develop and equip examiners with additional guidance, training, tools, advanced technology, and procedural resources.

The USPTO is pursuing initiatives to enhance patent quality and the clarity and completeness of the official record during prosecution of an application including encouraging applicants to begin filing patent applications in DOCX format, automating preexamination procedures, expanding examiner training, and working on additional guidance for examiners and the Patent Trial and Appeal Board (PTAB). Current guidance initiatives include refresher guidance on obviousness under 35 U.S.C. 103 and enablement under 35 U.S.C. 112 and new guidance on how examiners should analyze inventorship issues for artificial intelligence (AI)-assisted inventions. See "Updated Guidance for Making a Proper Determination of Obviousness," 89 FR 14449 (February 27, 2024); "Guidelines for Assessing Enablement in Utility Applications and Patents in

View of the Supreme Court Decision in *Amgen Inc. et al. v. Sanofi et al.*,” 89 FR 1563 (December 21, 2023); “Inventorship Guidance for AI-Assisted Inventions,” 89 FR 10043 (February 13, 2024). Also, the USPTO is increasing patent examination quality and efficiency via initiatives such as the Global Dossier Initiative (see <https://www.uspto.gov/patents/basics/international-protection/global-dossier-initiative>) and by providing examiners with advanced technologies and tools for identifying prior art, such as the AI-based “More Like This” and “Similarity Search” features in the Patents End-to-End (PE2E) search suite (see 1494 Off. Gaz. Pat. Office 251 (January 11, 2022) and 1504 Off. Gaz. Pat. Office 359 (November 15, 2022)). More information on the USPTO’s AI initiatives, including the AI and Emerging Technologies Partnership, is available at <https://www.uspto.gov/initiatives/artificial-intelligence>.

The USPTO recognizes that optimal pendency helps inventors and investors bring innovation to impact. The growing demand for patent services requires that the USPTO embrace new ways of delivering these critical IP services. Therefore, the USPTO is also working to identify policies, process changes, and technologies to improve patent pendency. Some of these efforts will focus on operational improvements to the patent examination process, including aligning the patent workforce with the incoming workload in the most efficient manner. Other efforts will target improvements to how applicants and other customers engage with the USPTO and navigate the prosecution process. For example, the USPTO has updated its website to improve access to resources and enhance customer service for inventors and practitioners, including modernizing and updating the Patent Basics and Patents Petitions pages, adding a Virtual Assistant on select pages, and providing an updated and modern general website search tool. The USPTO has also upgraded its computer systems, including transitioning in November 2023 from legacy systems to Patent Center for the electronic filing and management of patent applications. Patent Center, a web-based platform that allows users to file and manage patent applications and requests, provides improved system performance and a more intuitive user interface for an enhanced user experience. The USPTO is committed to continuously improving the customer experience on its website to enhance and modernize accessibility, design, and overall satisfaction in our digital space.

For information on additional enhancements to the agency’s online services, visit the USPTO’s web improvements page at <https://www.uspto.gov/about-us/website-improvements>. Effecting the changes in the examination process needed to ensure the issuance of reliable patents while also issuing those patents in a timely manner requires recognizing a potential increase in the core operating costs for future years.

Another major component of the overall patent process that has seen an increase in operating costs is the work carried out by the PTAB and the Central Reexamination Unit (CRU). These units play a key role in providing an efficient system for amending or voiding any patent claims that overreach and stunt innovation, inclusive capitalism, and global competitiveness. To ensure that post-issuance challenges to patent rights through the PTAB and the CRU help protect innovation and investments to commercialize innovation, the USPTO will invest in new tools and resources that increase communication, knowledge sharing, and collective problem solving. These strategic investments will enable the USPTO to identify and continue to implement guidelines and best practices to serve the patent system.

### 3. Sustainable Funding

All aspects of estimating the five-year forecast for aggregate cost, aggregate revenue, and the patent operating reserve are inherently uncertain because they are based on numerous, multifaceted planning assumptions predicated on external indicators of economic IP activity to forecast demand as well as internal workload drivers derived from production models. Maintaining a viable operating reserve is a key consideration as the USPTO sets patent fees. To mitigate the risk of uncertain demand, the USPTO maintains a patent operating reserve. The U.S. Government Accountability Office (GAO) considers operating reserves a best practice for user fee-funded government agencies like the USPTO. The patent operating reserve enables the USPTO to align fees and costs over a longer horizon and to improve its preparation for, and adjustment to, fluctuations in actual fee collections and spending.

The USPTO manages the operating reserve within a range of acceptable balances and assesses its options when projected balances fall either below or above that range. Minimum planning targets are intended to address immediate, unplanned changes in the economic or operating environments as

the reserve builds to the optimal level. The minimum and optimal planning targets are reviewed every three years to ensure the reserve operating range (between minimum and optimal targets) mitigates the severity of an array of financial risks. Based on the current risk environment, including various risk factors such as economic and funding uncertainty and the high percentage of fixed costs in the Patents program, the USPTO established a minimum planning level of 8% of total spending—about one month’s operating expenses (estimated between \$318 million and \$368 million from FY 2025–29)—and an optimal long-range target of 22% of total spending—about three months’ operating expenses (estimated between \$875 million and \$1,012 million from FY 2025–2029).

Based on current cost and revenue assumptions in the FY 2025 Budget, the USPTO forecasts that in FY 2024 aggregate estimated costs will exceed aggregate revenue and the operating reserve will be used to maintain operations. The fees contained in this final rule are projected to increase patent fee collections to the point that they exceed known spending requirements, and forecasted excess fee collections will replenish the patent operating reserve each year from FY 2025 through FY 2027. Based on this forecast, the USPTO will likely achieve its optimal level for the patent operating reserve in FY 2026. Based on spending requirements, the USPTO expects to rely on the patent operating reserve to fund a portion of operating expenses in FY 2028 and FY 2029 as projected patent spending requirements will likely exceed projected fee collections.

These projections are based on point-in-time estimates and assumptions that are subject to change. For instance, the budget includes assumptions about filing levels, renewal rates, whether the President will authorize or Congress will mandate employee pay raises, the productivity of the workforce, and many other factors. A change in any of these factors could have a significant cumulative impact on fee collections or spending requirements that affect the reserve balances. As seen in table 3, set forth in Part III: Estimating Aggregate Costs and Revenue of this rule, the operating reserve balance can change significantly over a five-year planning horizon, underscoring the value of the operating reserves as a risk mitigation tool for USPTO’s financial vulnerability to varying risk factors and the importance of fee setting authority.

The USPTO will continue to evaluate long-term planning assumptions to determine the appropriate course of



action beyond FY 2027 to appropriately adjust the Patents program for fluctuations in annual revenue resulting from changes in the economy, changes in spending requirements, and other financial risks. The USPTO will also continue to assess the patent operating reserve balance against its target balance annually, and at least every three years, the USPTO will evaluate whether the minimum and optimal target balance remain sufficient to provide the stable funding the USPTO needs. Per the USPTO's operating reserve policy, if the operating reserve balance is projected to exceed the optimal level by 10% for two consecutive years, the USPTO will consider fee reductions. The USPTO will continue to regularly review its operating budgets and long-range plans to ensure the prudent use of patent fees.

#### 4. Comments, Advice, and Recommendations From PPAC and the Public

As detailed in the NPRM and the report prepared in accordance with AIA fee setting authority, PPAC conveyed support for seeking adequate revenue to recover the costs for the USPTO to fulfill its role in supporting the country's innovation ecosystem, commenting that "[t]imely, high-quality search and examination require an appropriately compensated work force with adequate time to complete the same, supported by state of the art and reliable IT infrastructure." PPAC Report at 5–6.

In addition, PPAC recognized that "the USPTO is in the best position to assess its own needs and balance the tradeoffs in setting individual fees." PPAC Report at 6. The USPTO considered and analyzed the comments, advice, and recommendations received from PPAC before publishing this final rule.

Likewise, the agency considered and analyzed the comments, advice, and recommendations received from the public during the 60-day comment period following publication of the NPRM before publishing this final rule. The agency's response to comments received is available in Part VI: Discussion of Comments of this rule.

#### C. Summary of Rationale and Purpose of the Proposed Rule

The USPTO estimates that the proposed patent fee schedule will produce sufficient aggregate revenue to recover the aggregate estimated costs of patent operations and ensure financial sustainability for effective administration of the patent system. This proposed rule aligns with the USPTO's four key fee setting policy

factors and supports the USPTO's mission-focused strategic goals.

#### V. Individual Fee Rationale

The USPTO projects that aggregate revenue generated by the patent fees established in this final rule will recover the prospective aggregate estimated costs of patent operations as laid out in the FY 2025 Budget.

The USPTO did not set each individual fee necessarily equal to the estimated costs of performing activities related to the fee. Instead, as described in Part IV: Rulemaking Goals and Strategies of this rule, some fees are set at, above, or below their unit costs to balance four key fee setting policy factors: (1) promoting innovation strategies, (2) aligning fees with the full costs of products and services, (3) facilitating effective administration of the U.S. patent system, and (4) offering application processing options. For example, the agency sets many initial filing fees below unit cost to promote innovation strategies by removing barriers to entry to the patent system. To balance the aggregate revenue loss of fees set below cost, the USPTO must set other fees above cost in areas less likely to reduce inventorship (*e.g.*, maintenance).

For some fees established in this final rule, such as extension of time fees, the USPTO does not maintain individual historical cost data for services provided; instead, the agency considers the policy factors described in Part IV: Rulemaking Goals and Strategies of this rule to inform fee setting. For example, facilitating effective administration of the U.S. patent system enables the USPTO to foster an environment where USPTO personnel can provide and applicants can receive prompt, quality interim and final decisions; encourage the prompt conclusion of prosecuting an application, resulting in pendency reduction and faster dissemination of patented information; and help recover costs for activities that strain the patent system.

The fee changes are grouped into three categories: (A) an across-the-board adjustment to patent fees, (B) an adjustment to front-end fees, and (C) targeted fees. Part VII: Discussion of Specific Rules of this rule contains a complete listing of fees set or adjusted in the final patent fee schedule, including small and micro entity fees. This information is also listed in the Table of Patent Fees available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

This final rule includes one procedural amendment (D) expanding

the applicability of the rule allowing applicants to obtain a refund of search and excess claims fees paid in an application through express abandonment.

#### A. Across-the-Board Adjustment to Patent Fees

The broader U.S. economy has experienced higher-than-expected inflation the last two years and, in turn, USPTO operating costs increased relative to baseline estimates for labor and nonlabor activities such as benefits, service contracts, and equipment. Additionally, the USPTO adjusted the patent special rate table (pay) for the first time since 2007 to provide competitive compensation to patent employees. The agency's estimates of future costs in the FY 2025 Budget include a 2.0% civilian pay raise planned in CY 2025 and an assumption of 3.0% civilian pay raises in CY 2026–29, as well as inflationary increases for other labor and nonlabor activities.

In the NPRM, the USPTO proposed raising fees not covered by the targeted adjustments discussed in part V(C) of this rule by 5%. However, this final rule alters that proposal. The agency stated in the NPRM that it may need to refine the size of the across-the-board-adjustment either upward or downward such that fees are set at a level that secures aggregate cost recovery and maintains the operating reserves at acceptable levels. The USPTO has removed or adjusted several of the targeted proposals in the NPRM based on stakeholder feedback. To keep the USPTO on a stable financial track sufficient to recover the aggregate estimated costs of patent operations and to support the agency's strategic objectives, the agency is adjusting by approximately 7.5% all patent fees not covered by the targeted adjustments discussed in part V(C). This option results in an aggregate increase to projected patent fee collections that is about the same as the projected increase in the NPRM.

The effective date of this final rule is more than four years after the agency's last fee adjustment in October 2020. A 7.5% across-the-board increase in 2025 will be equivalent to a 1.7% annual increase, well below the prevailing inflation rate since October 2020. The agency is not proposing a larger increase in line with inflation because the across-the-board adjustment is intended to supplement the additional revenue collected from the targeted adjustments. Also, the USPTO will continue its ongoing efforts to improve operational efficiency and reduce spending when appropriate.

The 7.5% across-the-board adjustment strikes an appropriate balance between projected aggregate revenue and aggregate costs based on the assumptions used to develop the point-in-time estimates that support this final rule. For patent fees with small and micro entity fee reductions, the undiscounted fee is rounded up or down to the nearest \$5 by applying standard arithmetic rules. The resulting fee amounts are more convenient to patent users and permit the USPTO to set small and micro entity fees at whole dollar amounts when applying applicable fee reductions. Therefore, some smaller fees will not change since a 7.5% increase would round down to the current fee, while other fees will change by slightly more or less than 7.5%, depending on rounding. For patent fees that do not have small and micro entity fee reductions, the fees are rounded to the nearest dollar by applying standard arithmetic rules. The fee adjustments in this category are listed in the Table of Patent Fees available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

#### *B. Adjustment to Front-End Patent Fees*

The USPTO is adjusting all filing, search, and examination fees not covered by the targeted adjustments as discussed in part V(C) of this rule by an additional 2.5% on top of the 7.5% across-the-board adjustment, for a total front-end increase of 10%. This total is consistent with the fee increases proposed in the NPRM. The net increase over the across-the-board adjustment has been lowered from 5% to 2.5%, keeping the total increase for front-end patent fees at 10%. The current fee schedule sets filing, search, and examination fees below the costs of performing these services to achieve low barriers to entry into the innovation ecosystem. These front-end fees are subsidized by other fee collections, primarily maintenance fees. This adjustment will marginally recover some, but not all, additional filing, search, and examination costs earlier in the patent life cycle, thus mitigating the risk of potentially lower maintenance fee payments in the future while remaining consistent with a low barrier to entry policy.

Similar to the across-the-board adjustment, for fees that have small and

micro entity fee reductions, the undiscounted fee is rounded up or down to the nearest \$5 by applying standard arithmetic rules. Therefore, the fee rates established in this final rule might not be precisely 10% higher than the current fee rates. The fee adjustments in this category are listed in the Table of Patent Fees available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

#### *C. Targeted Adjustments to Patent Fees*

The USPTO sets or adjusts the following fees for the reasons stated below. Small and micro entity fees are set as 40% and 20%, respectively, of the undiscounted fees.

##### 1. After Final Consideration Pilot Program 2.0

The USPTO considered the public feedback on the After Final Consideration Pilot Program 2.0 (AFCP 2.0) and the proposed fee and decided not to renew the program. Consequently, a fee is not necessary. The program will expire on December 14, 2024.

##### 2. Continuing Application Fees

Table 4: Continuing Application Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Filing an application or presentation of benefit claim more than six years after earliest benefit date	Undiscounted	New	\$2,700	n/a	n/a	n/a
Filing an application or presentation of benefit claim more than six years after earliest benefit date	Small	New	\$1,080	n/a	n/a	n/a
Filing an application or presentation of benefit claim more than six years after earliest benefit date	Micro	New	\$540	n/a	n/a	n/a
Filing an application or presentation of benefit claim more than nine years after earliest benefit date	Undiscounted	New	\$4,000	n/a	n/a	n/a
Filing an application or presentation of benefit claim more than nine years after earliest benefit date	Small	New	\$1,600	n/a	n/a	n/a
Filing an application or presentation of benefit claim more than nine years after earliest benefit date	Micro	New	\$800	n/a	n/a	n/a

The USPTO is instituting new fees for certain continuing applications to ensure a sustainable funding model into the future. The patent fee structure is designed to encourage innovation by maintaining low barriers to entry, which the agency accomplishes by keeping front-end fees (filing, search, and examination fees) below the costs for the corresponding front-end services (preexamination, search, and examination), and by reducing most patent fees by 60% for small entities and by 80% for micro entities. For example, for a utility application, current front-end fees (\$1,820 for

undiscounted entities in FY 2023) are set far below the USPTO’s average costs for filing, search, and examination activities (\$6,165 in FY 2023). As of FY 2023, the subsidy (the difference between the USPTO’s costs and what an applicant pays) for an average application was \$4,345 for an undiscounted entity and even higher for those applicants paying discounted fee rates (\$5,501 for a small entity filing electronically, and \$5,801 for a micro entity).  
 The USPTO recovers the shortfall (i.e., the costs associated with filing, search, and examination activities that are not recouped by their associated

fees) from other fees, particularly issue fees and maintenance fee payments made after issuance of a utility patent. See e.g., FY 2023 AFR at 63–64, available on the USPTO website at <https://www.uspto.gov/AnnualReport>. Maintenance fees are due 3.5 years, 7.5 years, and 11.5 years from the issue date of a utility patent. See 35 U.S.C. 41(b)(1). During FY 2023, maintenance fees collected from utility patentees were 54.9% of the USPTO’s patent revenue, about one-third of which derived from payment of the 11.5-year fee. This revenue is vital to providing

the necessary aggregate financing to fund patent operations.

Continuing applications, which include continuation, divisional, and continuation-in-part applications filed under the conditions specified in 35 U.S.C. 120, 121, 365(c), or 386(c) and § 1.78, represent a large and increasing share of patent applications. From FY 2010 to FY 2022, total serialized filings rose about 44%, including a moderate increase in noncontinuing applications (about 25%) and a large increase in continuing applications (about 100%), due almost entirely to increased continuation filings. Since FY 2010, divisional and continuation-in-part applications remained flat at annual levels of about 22,000 and 19,000, respectively. However, continuation applications have tripled, from about 40,000 in FY 2010 to about 122,800 in FY 2022, representing about 34% of FY 2022 serialized filings.

The volume and rapid increase of continuing applications negatively impacts the USPTO's workload and docketing practices. For example, it is difficult for the agency to balance patent resources between the examination of "new" (*i.e.*, noncontinuing) applications disclosing new technologies and innovations and continuing applications that, in some cases, are a repetition of previously examined applications either issued as patents or that have become abandoned. See *e.g.*, FY 2021 pendency statistics review presented at the PPAC quarterly meeting on Nov. 18, 2021, available on the USPTO website at

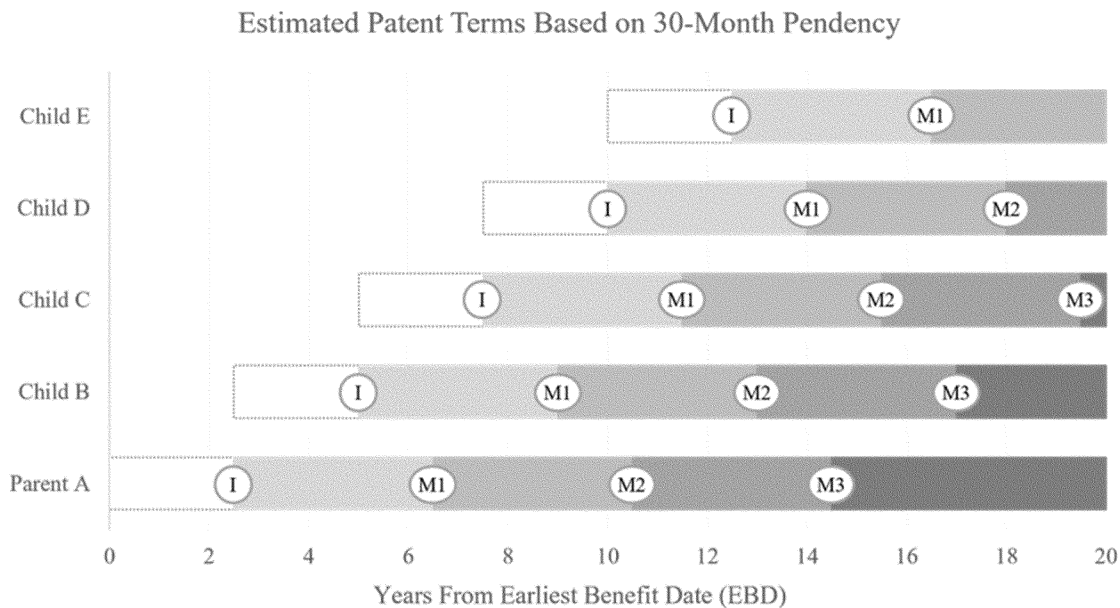
<https://www.uspto.gov/sites/default/files/documents/20211115-PPAC-FY21-pendency-stats-review.pdf> (note that about 80% of continuations have a patented parent). In addition, certain continuing applications, particularly divisional and continuation-in-part applications, might present different claimed inventions or more complex issues than a non-continuing application. Examiners are provided the same amount of time to examine a continuing application as a non-continuing application; equal time equates to equal cost to the agency.

Moreover, continuing applications filed long after their earliest benefit date (EBD) are less likely to have a patent term long enough for the USPTO to recover more of their costs from maintenance fees. The EBD is a term used in this rulemaking (the NPRM and this final rule) to refer to the earliest filing date for which benefit is claimed under 35 U.S.C. 120, 121, 365(c), or 386(c) and § 1.78(d). The EBD is determined on an application-by-application basis. The EBD cannot be the filing date of a foreign application or the filing date of a provisional application to which benefit is claimed under 35 U.S.C. 119(e). When the later-filed application is a utility or plant patent application, the EBD is also the date from which the 20-year patent term is calculated under 35 U.S.C. 154(a)(2). The EBD is also known as the patent term filing date. For more information about benefit claims, see Manual of Patent Examining Procedure (MPEP

(9th ed., Rev. 01.2024, November 2024) 210 and 211 *et seq.*; for more information about the patent term filing date, see MPEP 804, subsection I.B.1(a); and for more information about patent term, see MPEP 2701. The MPEP may be viewed on or downloaded from the USPTO website at <https://www.uspto.gov/MPEP> or <https://mpep.uspto.gov>.

Figure 1 depicts the estimated patent terms for a hypothetical patent family containing five applications that are filed at different times after their EBD: Parent A filed at 0 years, Child B filed at 2.5 years after the EBD, Child C filed at 5 years after the EBD, Child D filed at 7.5 years after the EBD, and Child E filed at 10 years after the EBD. Each application claims the benefit of every prior-filed application in the family under 35 U.S.C. 120, *e.g.*, Child C is a continuation of Child B, which is a continuation of Parent A. The pendency of each application is shown as a white bar with a dotted outline, and the term of each patent is shown as a shaded gray bar. For the sake of simplicity, the terms are estimated based on a 30-month pendency and assume that no patent term adjustments, patent term extensions, or terminal disclaimers apply. Key dates for each patent are indicated by labeled ovals (*e.g.*, "I" for the issue date, and "M1," "M2," or "M3" for the maintenance fee due dates, which for purposes of this illustration are shown as inclusive of the 35 U.S.C. 41(b)(2) grace periods).

Figure 1: Estimated Patent Terms



As shown in figure 1, Parent A is filed on the EBD, Child B is filed 2.5 years after the EBD, and Child C is filed 5 years after the EBD. All three of these applications will have a patent term long enough to require payment of all three maintenance fees to avoid expiration prior to the maximum statutory term. Child D and Child E, however, will not. Child D, filed 7.5 years after the EBD, will not have a term long enough to require payment of the third maintenance fee to avoid expiration prior to the maximum statutory term, and Child E, filed 10 years after the EBD, will not have a term long enough to require payment of the second or third maintenance fee to avoid expiration prior to the maximum statutory term.

While not all patentees choose to maintain their patents for their full term, the USPTO's ability to subsidize front-end fees is dependent on a sufficient number of patentees paying maintenance fees so that the aggregate revenue generated by patent fees will cover the aggregate costs of patent operations. As the volume of applications with terms that are not long enough to require one or more maintenance fees increases, the risk that the agency will not generate sufficient aggregate revenue also increases. Instituting fees for certain continuing applications based on the EBD will make the USPTO's funding model more resilient to changes in filing behaviors that impact the average term of issued patents and the resulting impact on maintenance fee payments.

In May 2023, the agency originally proposed that new fees would apply to nonprovisional applications that have an actual filing date more than three or more than seven years later than their EBD. In response to feedback from PPAC, the USPTO adjusted the thresholds in the NPRM and proposed that the new fees would apply to nonprovisional applications that have an actual filing date more than five or more than eight years later than their EBD. During the public comment period following the NPRM, the USPTO received a number of comments expressing concerns that the adjusted thresholds were still too early in time. After weighing the public feedback and

considering the effects on the patent system as a whole, the USPTO has adjusted the timing thresholds for the continuing application fees as detailed below.

As set forth in this final rule, the new fees in § 1.17(w) apply to nonprovisional applications that have an actual filing date more than six years after their EBD. The § 1.17(w)(1) fee applies when the later-filed application's EBD is more than six and no more than nine years earlier than its actual filing date and is \$2,700 for undiscounted applications, \$1,080 for applications receiving a small entity discount, and \$540 for applications receiving a micro entity discount. For the hypothetical patent family shown in figure 1, Child D would incur the § 1.17(w)(1) fee because it was filed 7.5 years after its EBD. The § 1.17(w)(2) fee applies when the later-filed application's EBD is more than nine years earlier than its actual filing date and is \$4,000 for undiscounted applications, \$1,600 for applications receiving a small entity discount, and \$800 for applications receiving a micro entity discount. For the hypothetical patent family shown in figure 1, Child E would incur the § 1.17(w)(2) fee because it was filed 10 years after its EBD.

The new fees in § 1.17(w) will partially offset foregone maintenance fee revenue resulting from later-filed continuing applications and, therefore, recover more costs related to continuing applications filed long after their EBD directly from filers of such applications. As noted previously, the § 1.17(w) fees are designed so that continuing applications filed six or fewer years after their EBD will continue to receive a front-end fee subsidy that is equal to that received by non-continuing applications. Thus, low barriers to entry into the patent system are preserved for non-continuing applications and for approximately 80.3% of continuing applications. For those continuing applications filed more than six years after their EBD, the § 1.17(w) fee will essentially reduce the amount of the front-end fee subsidy in recognition that such applications are less likely to have a patent term long enough for the USPTO to recover the costs of their

search and examination from maintenance fees. The § 1.17(w) fees are set at a rate that is both less than the front-end fee subsidy and substantially less than the third maintenance fee amount.

For example, for the hypothetical patent family shown in figure 1, under the undiscounted fee rates as adjusted by this final rule, Child D would pay the undiscounted § 1.17(w)(1) fee of \$2,700 and would not have a term long enough to require payment of the third maintenance fee (\$8,280) to avoid expiration prior to the maximum statutory term. Child E would pay the undiscounted § 1.17(w)(2) fee of \$4,000 and would not have a term long enough to require payment of the second (\$4,040) or third (\$8,280) maintenance fee to avoid expiration prior to the maximum statutory term. Therefore, the § 1.17(w)(1) fees will help offset a front-end subsidy of approximately \$4,165 (with front-end fees adjusted to a combined \$2,000 in this final rule and combined FY 2023 unit costs of \$6,165 for filing, search, and examination activities). If these applications paid discounted fees, the difference would be even greater. For example, if Child D received small entity fee discounts, the § 1.17(w)(1) fee would be \$1,080, partially offsetting a front-end subsidy of approximately \$5,435 and less than the third maintenance fee of \$3,312.

If future workloads for continuing applications were to remain consistent with FY 2022 data, about 80.3% of continuing applications would not incur the new fees because they are filed within six years of their EBD, while the remaining 19.7% of continuing applications (about 6.5% of all applications) would incur a continuing application fee. In particular, as shown in table 5, about 11.4% of continuing applications are filed more than six but not more than nine years after their EBD and would incur the § 1.17(w)(1) fee, and an additional 8.3% of continuing applications are filed more than nine years after their EBD and would incur the § 1.17(w)(2) fee. The table includes columns for ranges of years from the EBD to the filing date, the share of continuing applications in each range, and the applicability of the § 1.17(w) fees.

Table 5: Share of Continuing Applications Filed, by Years from EBD to Filing Date

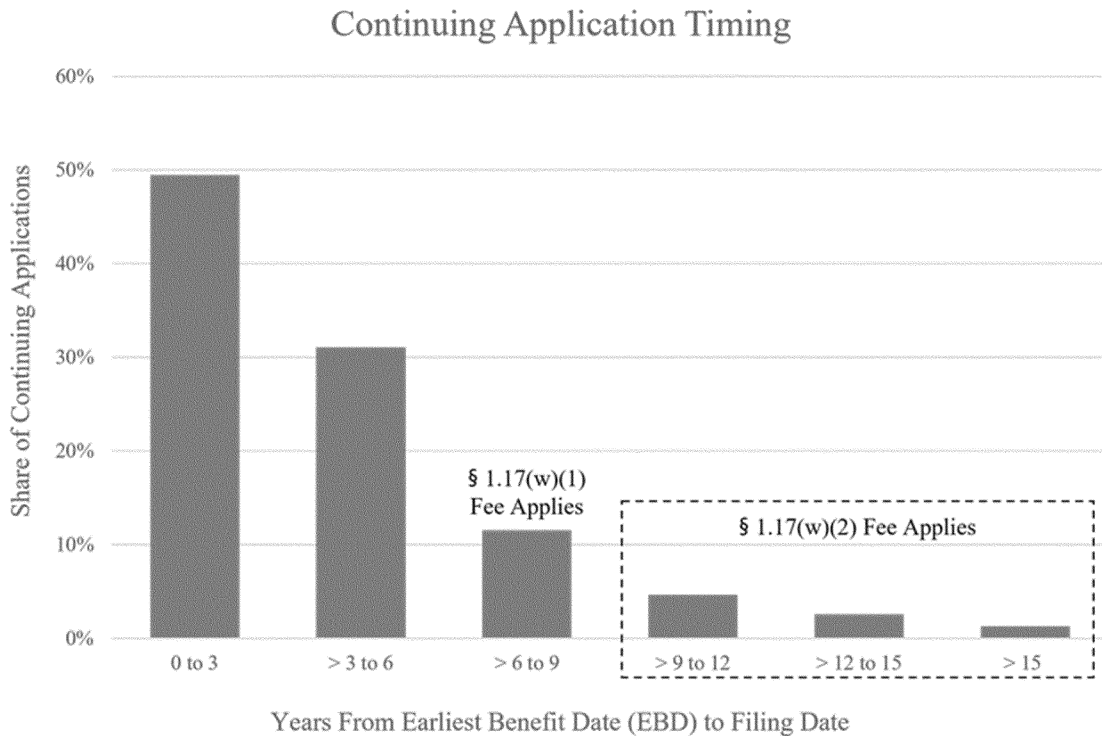
Years from EBD to Filing Date	Share of continuing applications	Share of all applications	Applicable § 1.17(w) fee
0 to 3	49.4	16.3	None
> 3 to 6	30.9	10.2	
> 6 to 9	11.4	3.8	§ 1.17(w)(1) fee
> 9 to 12	4.6	1.5	§ 1.17(w)(2) fee
> 12 to 15	2.5	0.8	
> 15	1.2	0.4	

Figure 2 illustrates the same data, with the addition of noting when the § 1.17(w) fees are incurred. The x-axis represents the years from the EBD to the filing date, and the y-axis shows the total share of continuing applications. Each vertical bar in figure 2 corresponds

to a row in table 5. The leftmost two vertical bars labeled “0 to 3” and “>3 to 6” represent the approximate 80.3% share of continuing applications that will not incur the new fees, the vertical bar labeled “>6 to 9” represents the 11.4% share of continuing applications that

will incur the § 1.17(w)(1) fee, and the rightmost three vertical bars inside the dashed box represent the 8.3% share of continuing applications that will incur the § 1.17(w)(2) fee.

Figure 2: Share of Continuing Applications Filed, by Years from EBD to Filing Date



For an application filed on or after the effective date of this final rule, payment of the § 1.17(w) fees is required at the time a prompting benefit claim (*i.e.*, a benefit claim that causes the EBD of the later-filed application to be more than six or nine years earlier than its actual filing date) is presented in the later-filed application. If the prompting benefit claim is presented at the time of filing

the later-filed application, the applicable § 1.17(w) fee will be due at filing. If the prompting benefit claim is presented at a later time, the applicable § 1.17(w) fee will be due concurrently with the presentation of the prompting benefit claim. If the later presentation of the prompting benefit claim is by way of a petition for acceptance of an unintentionally delayed benefit claim

under § 1.78(e), the applicable § 1.17(w) fee will be due in addition to the petition fee under § 1.17(m).

Because the fees in § 1.17(w) are based on the application’s EBD, presenting multiple benefit claims at the same time will not incur multiple fees. However, if benefit claims are presented at multiple times during an application’s pendency, a second fee

may be due if the later-presented benefit claim changes the application's EBD to be more than nine years earlier than the actual filing date. In this situation, the amount due under § 1.17(w)(2) for the later presentation will reflect any prior payment under § 1.17(w)(1) for the earlier presentation. For instance, if the fee under § 1.17(w)(1) was paid at the time of filing and a prompting benefit claim requiring payment of the § 1.17(w)(2) fee is presented at a later time, the additional amount owed is the difference between the current fee amount stated in § 1.17(w)(2) and the amount of the previous payment under § 1.17(w)(1).

An application that is pending prior to the effective date of this final rule will not incur a fee under § 1.17(w) based on any benefit claims that were properly presented prior to the effective date. If a benefit claim is presented in the application on or after the effective date of this final rule, however, the application will incur a fee under § 1.17(w) if the actual filing date of the application is more than six or nine years later than its EBD.

The following examples are not exhaustive but illustrate the most common situations anticipated to require payment of the new fees under § 1.17(w). For purposes of these examples, the agency assumes that all requirements for claiming benefit under 35 U.S.C. 119, 120, 121, 365(c), or 386(c) and § 1.78 are satisfied, and that all fees are paid at the undiscounted rates.

*Example 1: Claiming benefit of a nonprovisional application under 35 U.S.C. 120.* Application A is a nonprovisional application filed on July 1, 2026. The Application Data Sheet (ADS) present upon A's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application N filed on March 2, 2020, which is the only benefit claim in the application. A's EBD is March 2, 2020, which is more than six but not more than nine years earlier than A's actual filing date of July 1, 2026. In this example, the § 1.17(w)(1) fee of \$2,700 is due upon A's filing.

*Example 2: Claiming benefit of a provisional application under 35 U.S.C. 119(e).* Application B is a nonprovisional application filed on July 1, 2026. The ADS present upon B's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application O filed on February 2, 2021, and a benefit claim under 35 U.S.C. 119(e) to provisional application P filed on March 3, 2020. The USPTO's records indicate that O also contains a benefit claim under 35 U.S.C. 119(e) to provisional application P. In this situation, P's filing date is not the EBD, because § 1.17(w) does not encompass benefit claims under 35 U.S.C. 119(e). Instead, B's EBD is February 2, 2021, which is less than six years earlier than B's actual filing date of July 1, 2026. In this example, no fee would be due under § 1.17(w).

*Example 3: Claiming benefit of a provisional application under 35 U.S.C. 120.* Application C is a nonprovisional application filed on July 1, 2026. The ADS present upon C's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application O filed on February 2, 2021, and a benefit claim under 35 U.S.C. 120 to provisional application P filed on March 3, 2020. The USPTO's records indicate that O also contains a benefit claim under 35 U.S.C. 120 to provisional application P. In this situation, P's filing date is the EBD, because § 1.17(w) encompasses benefit claims under 35 U.S.C. 120. C's EBD is March 3, 2020, which is more than six but not more than nine years earlier than C's actual filing date of July 1, 2026. In this example, the § 1.17(w)(1) fee of \$2,700 is due upon C's filing. Note, it is not recommended that applicants claim the benefit to a provisional application under 35 U.S.C. 120 since such a claim could have the effect of reducing the patent term. See MPEP 211.02, subsection III.

*Example 4: Claiming priority to a foreign application under 35 U.S.C. 119(a).* Application D is a nonprovisional application filed on July 1, 2026. The ADS present upon D's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application O filed on February 2, 2021, and a priority claim under 35 U.S.C. 119(a) to foreign application Q filed on March 3, 2020. The USPTO's records indicate that O also contains a priority claim under 35 U.S.C. 119(a) to foreign application Q. In this situation, Q's filing date is not the EBD, because § 1.17(w) does not encompass priority claims to foreign applications under 35 U.S.C. 119. Instead, D's EBD is February 2, 2021, which is less than six years earlier than D's actual filing date of July 1, 2026. In this example, no fee would be due under § 1.17(w).

*Example 5: National stage of an international application claiming priority to a foreign application under 35 U.S.C. 119(a) and 365(b).* Application E is an international application filed under the Patent Cooperation Treaty (PCT) on July 1, 2026. The PCT Request form present upon E's filing contains a priority claim under 35 U.S.C. 119(a) and 365(b) to foreign application R filed on July 7, 2025. When the national stage of E is commenced in the United States under 35 U.S.C. 371, the USPTO will determine the EBD of the national stage application to evaluate whether any continuing application fees are due. In this situation, R's filing date is not the EBD, because § 1.17(w) does not encompass priority claims to foreign applications. Instead, E's EBD is July 1, 2026, which is the same as its actual filing date. In this example, no fee would be due under § 1.17(w).

*Example 6: National stage of an international application claiming benefit of a nonprovisional application under 35 U.S.C. 120 and 365(c).* Application F is an international application designating the United States that is filed under the PCT on July 1, 2026. The PCT request form present upon F's filing contains a benefit claim under 35 U.S.C. 120 and 365(c) to nonprovisional application N filed on March 2, 2020. When the national stage of F is commenced in the

United States under 35 U.S.C. 371, the USPTO will determine the EBD of the national stage application to evaluate whether any continuing application fees are due. In this situation, N's filing date of March 2, 2020, is the EBD, because § 1.17(w) encompasses benefit claims under 35 U.S.C. 120 and 365(c). Thus, F's EBD is March 2, 2020, which is more than six years, and no more than nine years, earlier than F's actual filing date of July 1, 2026. In this example, the § 1.17(w)(1) fee of \$2,700 is due when F commences the U.S. national stage under 35 U.S.C. 371.

*Example 7: Bypass continuation of an international application claiming benefit of a nonprovisional application under 35 U.S.C. 120 and 365(c).* Application G is a nonprovisional application filed on December 28, 2028. The ADS present upon G's filing contains benefit claims under 35 U.S.C. 120 and 365(c) to international application F filed on July 1, 2026, and nonprovisional application N filed on March 2, 2020. As noted in Example 6, supra, F also contains a benefit claim under 35 U.S.C. 120 and 365(c) to N. In this situation, N's filing date of March 2, 2020, is the EBD because § 1.17(w) encompasses benefit claims under 35 U.S.C. 120 and 365(c). Thus, G's EBD is March 2, 2020, which is more than six but not more than nine years earlier than G's actual filing date of December 28, 2028. In this example, the § 1.17(w)(1) fee of \$2,700 is due upon G's filing.

*Example 8: International design application claiming benefit of a nonprovisional application under 35 U.S.C. 120.* Application H is an international design application designating the United States that is filed under the Hague Agreement Concerning the International Registration of Industrial Designs, July 2, 1999 ("Hague Agreement"), on July 1, 2026. The DM/1 form titled "Application for International Registration" present upon H's filing does not contain any priority or benefit claims. Thus, at the time of H's filing, H's EBD is the same as its actual filing date, and no fee would be due under § 1.17(w). Shortly after the international registration is published by the International Bureau and a U.S. application number (35/series) is established, the applicant files a corrected ADS containing a benefit claim under 35 U.S.C. 120 to nonprovisional application N filed on March 2, 2020. Because this newly added benefit claim causes H's EBD to become March 2, 2020, which is more than six but not more than nine years earlier than H's actual filing date of July 1, 2026, the § 1.17(w)(1) fee of \$2,700 is due upon filing of the corrected ADS.

*Example 9: Adding timely benefit claims under 35 U.S.C. 120 after filing; single fee due.* Application I is a nonprovisional application filed on July 3, 2028. The ADS present upon I's filing does not contain any benefit claims, and thus no fee would be due under § 1.17(w) upon I's filing. Two months after I's filing, the applicant files a second ADS containing a benefit claim under 35 U.S.C. 120 to nonprovisional application O filed on February 2, 2021. Because this newly added benefit claim causes I's EBD to become February 2, 2021, which is more than six but

not more than nine years earlier than I's actual filing date of July 3, 2028, the § 1.17(w)(1) fee of \$2,700 is due upon filing of the second ADS. The applicant pays the fee. One month later (three months after I's filing), the applicant files a third ADS containing the previously added benefit claim to O and a new benefit claim under 35 U.S.C. 120 to nonprovisional application N filed on March 2, 2020. This newly added benefit claim causes I's EBD to become March 2, 2020, which is more than six but not more than nine years earlier than I's actual filing date of July 3, 2028. However, because the applicant already paid the § 1.17(w)(1) fee, no additional fee is due upon filing of the third ADS.

*Example 10: Adding timely benefit claims under 35 U.S.C. 120 after filing; multiple fees due.* Application J is a nonprovisional application filed on July 5, 2029. The ADS present upon J's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application O filed on February 2, 2021, which is the only benefit claim in the application. J's EBD is February 2, 2021, which is more than six but not more than nine years, earlier than J's actual filing date of July 5, 2029. In this example, the § 1.17(w)(1) fee of \$2,700 is due upon J's filing. The applicant pays the fee. Two months after I's filing, the applicant files a second ADS containing the previously added benefit claim to O and a new benefit claim under 35 U.S.C. 120 to nonprovisional application N filed on March 2, 2020. This newly added benefit claim causes J's EBD to become March 2, 2020, which is more than nine years earlier than I's actual filing date of July 5, 2029, and thus prompts the fee in § 1.17(w)(2). Because the fee in § 1.17(w)(1) was previously paid, the previous payment is subtracted from the amount now due under § 1.17(w)(2). Accordingly, the amount due upon filing of the second ADS is \$1,300 (the current fee amount of \$4,000 set forth in § 1.17(w)(2) less the \$2,700 previously paid under § 1.17(w)(1)).

*Example 11: Adding delayed benefit claim under 35 U.S.C. 120.* Application K is a nonprovisional application filed on July 5,

2029. The ADS present upon K's filing does not contain any benefit claims. Eighteen months after K's filing, the applicant files a second ADS containing a benefit claim under 35 U.S.C. 120 to nonprovisional application N filed on March 2, 2020. Because this newly added benefit claim causes K's EBD to become March 2, 2020, which is more than nine years earlier than K's actual filing date of July 5, 2029, the § 1.17(w)(2) fee of \$4,000 is due upon filing of the second ADS. In addition, because this benefit claim is delayed (not submitted within the required time period in § 1.78(d)), a petition for acceptance of an unintentionally delayed benefit claim under § 1.78(e) and the petition fee under § 1.17(m) are also required.

*Example 12: Adding timely benefit claim under 35 U.S.C. 120 in an application that predates the effective date of the final rule; § 1.17(w)(1) fee due.* Application L is a nonprovisional application filed on January 2, 2025, which is prior to the effective date of this final rule. The ADS present upon L's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application S filed on February 5, 2018, which is the only benefit claim in the application. L's EBD is February 5, 2018, which is more than six but not more than nine years earlier than L's actual filing date of January 2, 2025. Because L was filed prior to the effective date of this final rule, no fee under § 1.17(w)(1) was due upon L's filing or upon the effective date of the final rule. Two months after L's filing and after the effective date of this final rule, the applicant files a second ADS containing a benefit claim under 35 U.S.C. 120 to nonprovisional application O filed on February 2, 2021. While the newly added benefit claim does not change L's EBD, its presentation in an application having an EBD more than six but not more than nine years earlier than its actual filing date prompts the fee in § 1.17(w)(1). Accordingly, the § 1.17(w)(1) fee of \$2,700 is due upon filing of the second ADS.

*Example 13: Adding timely benefit claim under 35 U.S.C. 120 in an application that predates the effective date of the final rule; § 1.17(w)(2) fee due.* Application M is a

nonprovisional application filed on January 2, 2025, which is prior to the effective date of this final rule. The ADS present upon M's filing contains a benefit claim under 35 U.S.C. 120 to nonprovisional application S filed on February 5, 2018, which is the only benefit claim in the application. M's EBD is February 5, 2018, which is more than six but not more than nine years earlier than M's actual filing date of January 2, 2025. Because M was filed prior to the effective date of this final rule, no fee under § 1.17(w)(1) was due upon M's filing or upon the effective date of the final rule. Two months after M's filing and after the effective date of this final rule, the applicant files a second ADS containing a benefit claim under 35 U.S.C. 120 to nonprovisional application T filed on March 6, 2015. This newly added benefit claim causes M's EBD to become March 6, 2015, which is more than nine years earlier than M's actual filing date of January 2, 2025, and thus prompts the fee in § 1.17(w)(2). Accordingly, the § 1.17(w)(2) fee of \$4,000 is due upon filing of the second ADS.

The USPTO does not believe these new fees will disproportionately impact small or micro entities. Based on FY 2022 data, of the applications that had an EDB more than six years before the actual filing date, about 70% were undiscounted, about 29% received a small entity discount, and about 1% received a micro entity discount. The USPTO also anticipates that these fees will be relatively technology neutral. Technology Center (TC) 3700 receives a much higher proportion of late-filed continuing applications than other areas, but this TC covers diverse subject matter and many technologies, including mechanical engineering, manufacturing, gaming, and medical devices and processes.

### 3. Design Application Fees

**BILLING CODE 3510-16-P**



Table 6: Design Application Fees

<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>	<b>Dollar change</b>	<b>Percent change</b>	<b>FY 2023 unit cost</b>
Basic filing fee - Design	Undiscounted	\$220	\$300	\$80	36	\$269
Basic filing fee - Design	Small	\$88	\$120	\$32	36	\$269
Basic filing fee - Design	Micro	\$44	\$60	\$16	36	\$269
Basic filing fee - Design CPA	Undiscounted	\$220	\$300	\$80	36	\$964
Basic filing fee - Design CPA	Small	\$88	\$120	\$32	36	\$964
Basic filing fee - Design CPA	Micro	\$44	\$60	\$16	36	\$964
Design search fee or Design CPA search fee	Undiscounted	\$160	\$300	\$140	88	\$587
Design search fee or Design CPA search fee	Small	\$64	\$120	\$56	88	\$587
Design search fee or Design CPA search fee	Micro	\$32	\$60	\$28	88	\$587
Design examination fee or Design CPA examination fee	Undiscounted	\$640	\$700	\$60	9	\$857
Design examination fee or Design CPA examination fee	Small	\$256	\$280	\$24	9	\$857
Design examination fee or Design CPA examination fee	Micro	\$128	\$140	\$12	9	\$857
Design issue fee	Undiscounted	\$740	\$1,300	\$560	76	\$539
Design issue fee	Small	\$296	\$520	\$224	76	\$539
Design issue fee	Micro	\$148	\$260	\$112	76	\$539
Hague design issue fee	Undiscounted	\$740	\$1,300	\$560	76	n/a
Hague design issue fee	Small	\$296	\$520	\$224	76	n/a
Hague design issue fee	Micro	\$148	\$260	\$112	76	n/a

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
International design application first part U.S. designation fee	Undiscounted	\$1,020	\$1,300	\$280	27	n/a
International design application first part U.S. designation fee	Small	\$408	\$520	\$112	27	n/a
International design application first part U.S. designation fee	Micro	\$204	\$260	\$56	27	n/a
(Part II designation fee) Issue fee paid through the International Bureau in an international design application	Undiscounted	\$740	\$1,300	\$560	76	n/a
(Part II designation fee) Issue fee paid through the International Bureau in an international design application	Small	\$296	\$520	\$224	76	n/a
(Part II designation fee) Issue fee paid through the International Bureau in an international design application	Micro	\$148	\$260	\$112	76	n/a

**BILLING CODE 3510-16-C**

The patent fee structure is designed to encourage innovation by maintaining low barriers to entry into the patent system. The USPTO accomplishes this goal by keeping initial filing fees for utility, plant, and design applications below the agency’s costs for preexamination, search, and examination, and by reducing most patent fees by 60% for small entities and by 80% for micro entities. See Part II: Background, *supra*. The USPTO recovers the remaining costs of performing the work from other fees, particularly issue fees and maintenance fee payments made after issuance of a utility patent. See *e.g.*, the FY 2023 Agency Financial Report at 63–64, available on the USPTO website at <https://www.uspto.gov/AnnualReport>. Although the USPTO is not permitted to

establish maintenance fees for design or plant patents (see 35 U.S.C. 41(b)(3)), the maintenance fees it collects from utility patentees represented 54.9% of patent revenue in FY 2023. This revenue is vital to providing the necessary aggregate revenue to recover the aggregate costs of patent operations.

Currently, the undiscounted design fees (\$1,760 total for filing, search, examination, and issue fees) are set well below the cost of their associated services for both new design applications (\$2,252 cost in FY 2023) and continued prosecution applications (CPAs) (\$2,947 cost in FY 2023). The discounted design fees are significantly lower (\$704 total for a small entity, and \$352 total for a micro entity), even though the costs are the same. More than half of design applicants pay discounted fees; for example, of the

design applications filed in FY 2023, 26% paid the micro entity fee amount, 37% paid the small entity fee amount, and only 37% paid the undiscounted fee amount.

As a result of design fees being set below cost and the heavy use of entity fee discounts by design applicants, the USPTO’s collections from design fees are significantly below design costs. In FY 2023, the USPTO’s collections from design fees averaged only \$1,013 per application. This resulted in a shortfall of \$1,239 per design application, which represented 55% of the cost. In other words, design applicants, on an aggregate basis, paid for only 45% of design costs. Because USPTO operations are financed solely by user fees, the agency must make up the shortfall in the design area through fees set in other patent areas. While the USPTO has

raised design fees twice in the last 10 years, those increases were not large enough to eliminate the shortfall over the long term. Thus, design costs continue to be subsidized by other fees, primarily utility patent maintenance fees.

This subsidy has grown in recent years, as shown in figure 3. The graph depicts average fee collections per design application (average collections) in dark gray, and the average shortfall or subsidy per design application (average subsidy) in light gray. The average subsidy per design application in FY

2022 was \$1,108 and in FY 2023 was \$1,239. Table 7 below figure 3 provides the actual dollar amounts for each data point (unit cost, average collections, and average subsidy) shown in figure 3 and also includes the subsidy as a percentage of unit cost for each fiscal year.

Figure 3: Subsidization of Design Applications Over Time

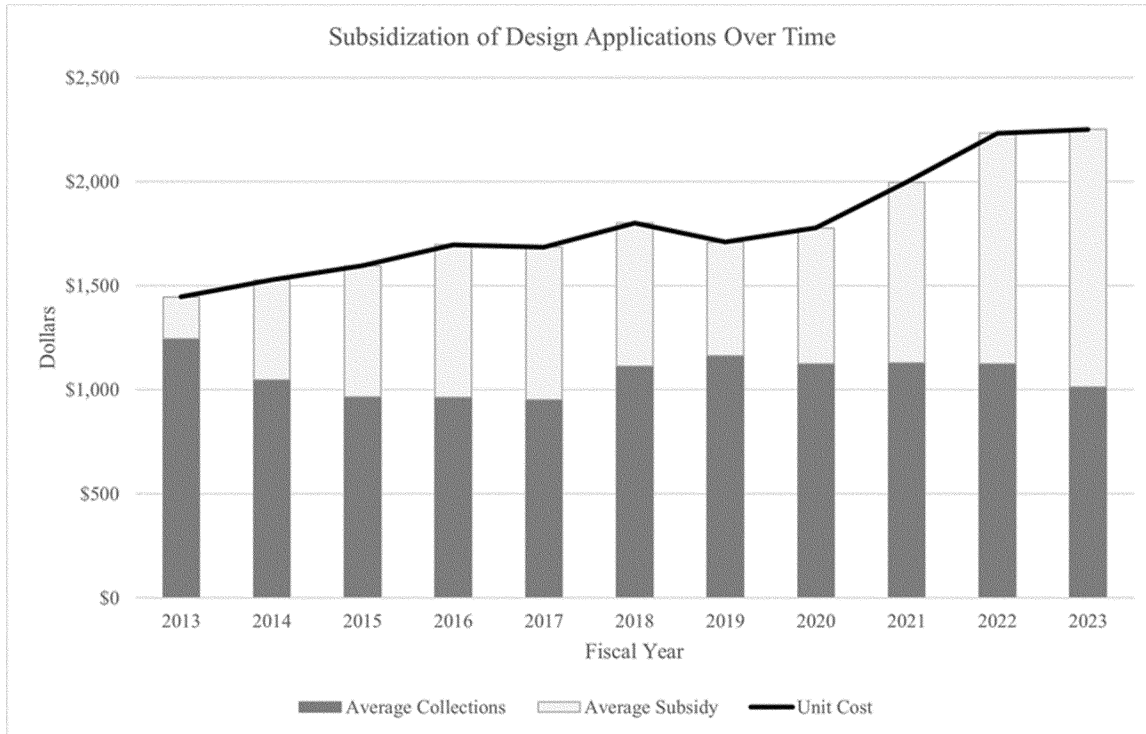


Table 7: Subsidization of Design Applications Over Time

Fiscal year	Unit cost	Average collections	Average subsidy	Subsidy as percentage of unit cost
2013	\$1,446	\$1,246	\$200	14
2014	\$1,528	\$1,047	\$481	31
2015	\$1,596	\$967	\$629	39
2016	\$1,697	\$965	\$732	43
2017	\$1,686	\$952	\$734	44
2018	\$1,802	\$1,115	\$687	38
2019	\$1,710	\$1,165	\$545	32
2020	\$1,778	\$1,126	\$652	37
2021	\$1,998	\$1,129	\$869	43
2022	\$2,233	\$1,125	\$1,108	50
2023	\$2,252	\$1,013	\$1,239	55

Historically, this difference between design fees and design costs did not result in a significant subsidy because the annual volume of design applications was much lower than the annual volume of issued utility patents. Since 2014, however, the number of design applications has surged 50% (from 36,254 in FY 2014 to 53,665 in FY 2023), while the number of issued utility patents (and thus, the volume of potential future maintenance fees) has increased only 2% (from 303,930 in FY 2014 to 310,245 in FY 2023). See *e.g.*, FY 2023 Workload Table 1, available on the USPTO website at <https://www.uspto.gov/AnnualReport>. Furthermore, most of the growth in design application filings is attributable to applications in which discounted fees are paid. From FY 2014 to FY 2023, the number of undiscounted design applications (including CPAs) filed increased 12%, but the number of small entity applications increased 31%, and the number of micro entity applications increased 306%. As a result, the entity spread for design applications changed dramatically. For example, in FY 2014, the entity spread for design applications was 50% undiscounted, 40% small entity, and 10% micro entity; during FY 2023, the entity spread for design applications was 37% undiscounted, 37% small entity, and 26% micro entity. In contrast, the entity spread in utility application filings has remained the same from FY 2014 to FY 2023, at about 72% undiscounted, 24% small entity, and 4% micro entity.

Moreover, because design fee payors do not bear the full costs of design services, the current imbalance between fees and costs in the design patent area could lead to overuse of discounted services. See *e.g.*, “Federal User Fees: A Design Guide,” Report No. GAO–08–386SP (May 2008), available at <https://www.gao.gov/products/gao-08-386sp>, and the “Patent and Trademark Office: New User Fee Design Presents Opportunities to Build on Transparency and Communication Success,” Report No. GAO–12–514R (April 2012), available at <https://www.gao.gov/products/gao-12-514r>.

The USPTO is increasing the fees for design patent applications to account for inflationary cost increases and recover a larger portion of design costs from design applicants. The design fee increases will affect national design application filings including CPAs, and international design application filings that designate the United States under the Geneva Act of the Hague Agreement.

As shown in the fee table above, the combined total of filing fees in § 1.16(b), search fees in § 1.16(l), examination fees

in § 1.16(p), and issue fees in § 1.18(b)(1) for a design application or CPA that proceeds to issuance is increasing from \$1,760 to \$2,600 for undiscounted applications, from \$704 to \$1,040 for applications receiving a small entity discount, and from \$352 to \$520 for applications receiving a micro entity discount. The reissue fees under § 1.16(e), 16(n), and 16(r) are part of the across-the-board adjustment and not included in this targeted adjustment.

Note that under the Hague Agreement and its implementing regulations in the United States, including § 1.1031, the required fees (known as designation fees) for international design application filings that designate the United States are set by reference to the national fees. Thus, the first part of the designation fee corresponds to the sum of the filing fee, search fee, and examination fee, and the second part of the designation fee corresponds to the issue fee. See MPEP 2910 for more information about international design application fees. The transmittal fee for international design applications filed in the USPTO as an office of indirect filing under § 1.1031(a) is part of the across-the-board adjustment and not included in this targeted adjustment.

The increased design fees for an undiscounted applicant (\$2,600 in combined filing, search, examination, and issue fees) are now in between the cost of new design applications and CPA design applications, while the fees for discounted entities (\$1,040 for a small entity and \$520 for a micro entity) remain far below cost. Despite these increases, the adjusted fees will not achieve full recovery of design costs. On an individual basis, the adjusted fees, including the issue fee, will recover the cost of examining and issuing a design application if the applicant pays the undiscounted rate and does not file a CPA. Because most design applications qualify for discounted fees, design fee collections will not fully recover design costs on an aggregate basis. For example, if the application filing volume, entity spread, and cost remain the same as in FY 2023, the increased fees would result in design fee collections averaging \$1,462 per application, thus reducing the shortfall to about \$790 per application, which is about 35% of the cost. The final rule thus improves cost recovery from design applicants, who will now on an aggregate basis pay for about 65% of design costs as compared to the 45% they paid in FY 2023.

These design fees maintain a low barrier to entry into the patent system while increasing revenue to recover more design costs from design

applicants. The USPTO has accomplished these goals by balancing relatively low front-end fees against the higher design issue fee and the reduced, but still large, subsidy from utility maintenance fees. While front-end fees are set below cost for all entities, both the design issue fee and utility maintenance fees are set above their unit cost for undiscounted entities. For example, the design issue cost is \$539, and the design issue fee is \$1,300 for an undiscounted entity, \$520 for a small entity, and \$260 for a micro entity. As of June 2024, the undiscounted issue fee of \$1,300 was 6% lower than the inflation-adjusted 2013 issue fee would be. As a result of this balancing, the USPTO has managed to keep the front-end fees only \$5 to \$10 higher than they were set in 2020 for the majority of design applicants. When the issue fee is included, the total fees paid by discounted entities are still 13% less than inflation-adjusted 2013 fees would be. See CPI Inflation Calculator, U.S. Bureau of Labor Statistics, <https://www.bls.gov/data/inflation-calculator.htm> (comparing March 2013 to June 2024 to calculate buying power).

The USPTO believes these fee adjustments appropriately balance encouraging innovation and recovering costs. For example, based on the FY 2023 unit cost and assuming that filing volume and entity spread remain stable, recovering the full cost of design services from design applicants would require total fees of about \$4,000 for undiscounted applications. Abruptly raising fees to these levels could discourage innovation, so the USPTO is implementing a more moderate increase to \$2,600 for undiscounted applications. After considering all relevant factors, the agency believes the adjusted design fees strike a balance that encourages innovation while bringing in increased revenue to recover more design costs.

The USPTO is conscious that fee increases affect resource-constrained applicants. The agency will continue to offer the 60% discount for small entities and the 80% discount for micro entities, which reduces the impact of the fee increases on these entities. For example, when these discounts are taken into account, the total fees paid by discounted entities through issuance of a design application represent less than half of the USPTO’s costs (small entities pay 46% of new design application costs and 35% of CPA costs, and micro entities pay 23% of new design application costs and 18% of CPA costs).

#### 4. Excess Claims Fees

Table 8: Excess Claims Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Each independent claim in excess of three	Undiscounted	\$480	\$600	\$120	25	n/a
Each independent claim in excess of three	Small	\$192	\$240	\$48	25	n/a
Each independent claim in excess of three	Micro	\$96	\$120	\$24	25	n/a
Each reissue independent claim in excess of three	Undiscounted	\$480	\$600	\$120	25	n/a
Each reissue independent claim in excess of three	Small	\$192	\$240	\$48	25	n/a
Each reissue independent claim in excess of three	Micro	\$96	\$120	\$24	25	n/a
Each claim in excess of 20	Undiscounted	\$100	\$200	\$100	100	n/a
Each claim in excess of 20	Small	\$40	\$80	\$40	100	n/a
Each claim in excess of 20	Micro	\$20	\$40	\$20	100	n/a
Each reissue claim in excess of 20	Undiscounted	\$100	\$200	\$100	100	n/a
Each reissue claim in excess of 20	Small	\$40	\$80	\$40	100	n/a
Each reissue claim in excess of 20	Micro	\$20	\$40	\$20	100	n/a
Each reexamination independent claim in excess of three and also in excess of the number of such claims in the patent under reexamination	Undiscounted	\$480	\$600	\$120	25	n/a

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Each reexamination independent claim in excess of three and also in excess of the number of such claims in the patent under reexamination	Small	\$192	\$240	\$48	25	n/a
Each reexamination independent claim in excess of three and also in excess of the number of such claims in the patent under reexamination	Micro	\$96	\$120	\$24	25	n/a
Each reexamination claim in excess of 20 and also in excess of the number of claims in the patent under reexamination	Undiscounted	\$100	\$200	\$100	100	n/a
Each reexamination claim in excess of 20 and also in excess of the number of claims in the patent under reexamination	Small	\$40	\$80	\$40	100	n/a
Each reexamination claim in excess of 20 and also in excess of the number of claims in the patent under reexamination	Micro	\$20	\$40	\$20	100	n/a

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The USPTO charges a fee for filing, or later presenting at any other time, each independent claim in excess of three (referred to as an excess independent claim), as well as each claim (whether dependent or independent) in excess of 20 (referred to as an excess total claim). These thresholds for excess independent claims and excess total claims (collectively, “excess claims”) are set in 35 U.S.C. 41(a)(2).

In this final rule, the USPTO is increasing the fee for each excess independent claim in an application (§ 1.16(h)), reissue application (§ 1.16(h)), reexamination proceeding

(§ 1.20(c)(3)), or national stage application (§ 1.492(d)) to \$600 for undiscounted entities. The USPTO is also increasing the fee for each excess total claim in an application (§ 1.16(i)), a reissue application (§ 1.16(i)), reexamination proceeding (§ 1.20(c)(4)), or national stage application (§ 1.492(e)) to \$200 for undiscounted entities. The § 1.16(j) and § 1.492(f) multiple dependent claim fees are part of the across-the-board adjustment and not included in this targeted adjustment.

These changes will provide the agency with more revenue to help recover the additional search and

examination costs associated with excess claims, as well as prosecution costs not covered by front-end fees. The USPTO notes that excess claiming can be a significant burden to the patent system and the agency. The number of claims impacts the complexity of examination and increases the demands placed on the examiner. For example, if each independent claim in an application requires a completely separate prior art patentability determination and an application contains six independent claims, the examiner must conduct six completely separate prior art patentability

determinations. Excess dependent claims also represent additional work, because a dependent claim may be allowable over the prior art even if the claim from which it depends is not. Dependent claims also require separate patentability determinations for non-prior-art issues such as enablement, subject matter eligibility, utility, and written description. Thus, applicants who include excess claims are using the patent system more extensively than those who do not.

Moreover, examination efficiency is promoted when there is a high frequency of applications with 20 claims or fewer. Thus, these fee changes will enhance prosecution, because the USPTO believes that applicants motivated by costs will be incentivized by the fee adjustments to not file excess claims. The agency has increased excess claims fees several times during the last 20 years, which has been very effective at reducing excess claims from their peak in the early 2000s. For instance, in FY 2023, 83% of applications did not contain any excess claims, and 17% contained excess total claims, excess independent claims, or both (10% contained excess total claims only, 3.1% contained excess independent claims only, and 3.5% contained both excess total claims and excess independent claims). These percentages are in line with historic values over the last decade.

The excess total claims fees are also designed to ensure that most applicants presenting excess claims will be able to do so for less than the cost of filing a second application. The front-end application fees (including the new continuing application fees discussed earlier) and excess claims fees are naturally linked and likely to have counterbalancing effects. For example, an increase in new or continuing applications could result from raising only excess claims fees, and an increase in excess claims could result from raising only the front-end application fees (even in specific, lesser-occurring situations). The increases in excess claims fees implemented in this final rule are intended to avert the latter scenario. Without these adjustments, the agency expects that excess claims numbers would increase in response to increased front-end fees, including the fees for certain continuing applications discussed previously.

In FY 2023, 86% of applications contained no excess total claims and therefore will not be affected by this fee adjustment, 11% paid excess claims fees but contained 10 or fewer excess claims, and only 3% contained more than 10 excess claims. For the 11% of applications containing 10 or fewer excess claims, it would remain either the same cost or be less expensive to pay the excess total claims fees as opposed to filing a second application. As an example, for an undiscounted

entity, 10 excess total claims at \$200 each would equal \$2,000 in excess total claims fees, which is the same as the combined filing, search and examination fees for filing an application as adjusted by this final rule. Moreover, for applications containing from one to 10 excess claims, the average number of excess claims was 5, so on average, paying excess total claims fees would be much less expensive than a second application. As an example, for an undiscounted entity, 5 excess total claims at \$200 each would equal \$1,000 in excess total claims fees.

For the 3% of applications containing more than 10 excess total claims, the average was 34 excess claims. Thus, for this group of applications, it would be more expensive to pay the excess total claims fees as opposed to filing a second application, but this increased expense reflects that these applications are, on average, presenting more than the number of claims that would be covered by the fees for filing a second application. Notably, about one-third of these applications (10% of all applications containing excess total claims, or 1% of all applications) contained an average of 59 excess claims, which is more than would be covered by the fees for filing two additional applications.

##### 5. Extension of Time for Provisional Application Fees

Table 9: Extension of Time for Provisional Application Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Extension for response within first month, provisional application	Undiscounted	\$220	\$50	-\$170	-77	n/a
Extension for response within first month, provisional application	Small	\$88	\$20	-\$68	-77	n/a
Extension for response within first month, provisional application	Micro	\$44	\$10	-\$34	-77	n/a
Extension for response within second month, provisional application	Undiscounted	\$640	\$100	-\$540	-84	n/a
Extension for response within second month, provisional application	Small	\$256	\$40	-\$216	-84	n/a
Extension for response within second month, provisional application	Micro	\$128	\$20	-\$108	-84	n/a
Extension for response within third month, provisional application	Undiscounted	\$1,480	\$200	-\$1,280	-86	n/a



Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Extension for response within third month, provisional application	Small	\$592	\$80	-\$512	-86	n/a
Extension for response within third month, provisional application	Micro	\$296	\$40	-\$256	-86	n/a
Extension for response within fourth month, provisional application	Undiscounted	\$2,320	\$400	-\$1,920	-83	n/a
Extension for response within fourth month, provisional application	Small	\$928	\$160	-\$768	-83	n/a
Extension for response within fourth month, provisional application	Micro	\$464	\$80	-\$384	-83	n/a
Extension for response within fifth month, provisional application	Undiscounted	\$3,160	\$800	-\$2,360	-75	n/a
Extension for response within fifth month, provisional application	Small	\$1,264	\$320	-\$944	-75	n/a
Extension for response within fifth month, provisional application	Micro	\$632	\$160	-\$472	-75	n/a

The USPTO is implementing a standalone extension of time (EOT) fee

structure for provisional applications in which fees will be decreased from

current amounts by an average of 81%. Under EOT practice, if an applicant is

required to reply within a nonstatutory or shortened statutory time period, the applicant may normally petition to extend the time period for reply with the requisite fee. The time extension may be up to the earlier of the expiration of any maximum period set by statute or five months after the time period set for reply if a petition for an EOT under § 1.136(a), including the EOT fee set in § 1.17(a), is filed.

Currently, the EOT fees specified in § 1.17(a) apply equally to both provisional and nonprovisional applications. The USPTO is implementing an average 81% EOT fee decrease in provisional applications under a new paragraph (u) of § 1.17 and

is additionally amending § 1.136(a) to refer to EOT fees under both § 1.17(a) and new § 1.17(u). For patent applications other than provisional applications, the EOT fees retained under § 1.17(a) will be increased in accordance with the across-the-board proposal.

With fees reduced by 81% on average, the separate EOT fee structure for provisional applications will benefit filers in all entity status categories. The agency envisions that micro entity provisional application filers will benefit most. As explained in the Director's April 20, 2023, letter to PPAC:

The USPTO's fee review concluded that applicants who have certified micro entity

status in provisional applications are more than twice as likely to request EOT as compared to other applicants. Thus, we are proposing reduced EOT fees for provisional applications by an average of 81% to reduce financial and entry barriers and further foster inclusive innovation.

Some micro entity applicants need time extensions to accommodate attempts to meet additional formality requirements associated with establishing micro entity status. Another consideration favoring this change is that provisional applications are not examined; therefore, there is less urgency to expedite processing.

6. Information Disclosure Statement Size Fees

Table 10: Information Disclosure Statement Size Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 50 but not exceed 100	Undiscounted	New	\$200	n/a	n/a	n/a
Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 100 but not exceed 200	Undiscounted	New	\$500, less any amount previously paid	n/a	n/a	n/a
Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 200	Undiscounted	New	\$800, less any amounts previously paid	n/a	n/a	n/a

Sections 1.97 and 1.555 provide applicants and patent owners the

opportunity to submit an information disclosure statement (IDS) containing

items of information for consideration by the examiner. To be considered in a

patent application, the IDS must meet the timing requirements of § 1.97 and the content requirements of § 1.98. In a reexamination proceeding, the IDS must meet the content requirements of § 1.98. There are no specific regulatory limits to the number of items of information that may be included in an IDS. Most applications contain relatively few items of information provided by applicants for consideration. Approximately 87% of applications contain 50 or fewer applicant-provided items of information, and approximately 77% contain fewer than 25.

The USPTO receives large IDS submissions that cause the cumulative number of applicant-provided items of information in an application to exceed 50 in a small percentage of applications. Based on the agency's most recent data, in approximately 13% of applications applicants provide over 50 total items of information. About 5% of applications contain 51 to 100 applicant-provided items of information, about 4% of applications contain 101 to 200 applicant-provided items of information, and only 4% of applications contain more than 200 applicant-provided items of information. In an even smaller subset of applications, the number of applicant-provided items can be quite large, sometimes in the thousands or even tens of thousands.

In many instances, these large IDS submissions contain clearly irrelevant, marginally relevant, or cumulative information. It is onerous for examiners and hinders the USPTO's statutory obligation to timely examine applications under 35 U.S.C. 154 to consider large numbers of clearly irrelevant, marginally relevant, or cumulative information. Additionally, large IDS submissions are costly for the agency to consider. Therefore, the USPTO suggests, as a best practice, that applicants and patent owners avoid filing large IDS submissions by eliminating clearly irrelevant, marginally relevant, or cumulative information. See MPEP 2004, item 13. If applicants or patent owners file a large IDS, the USPTO encourages them to "highlight those documents which have been specifically brought to applicant's attention and/or are known to be of most significance." MPEP 2004, item 13.

In 2006, the USPTO attempted to address large IDS submissions by proposing new requirements, including that IDSs with more than twenty citations be accompanied by an explanation of relevance. See "Changes To Information Disclosure Statement Requirements and Other Related Matters," 71 FR 38808 (July 10, 2006).

The proposal was not adopted; instead, to provide some relief for examiners burdened with large IDS submissions, the agency began providing examiners additional time to consider large IDS submissions in applications.

On average, the USPTO provides examiners approximately 80,000 additional hours each year to consider large IDS submissions in applications, costing the agency \$10 million annually. As there is currently no fee for large IDS submissions, this cost is subsidized generally by patent fees, primarily maintenance fees collected for patents that resulted from applications that did not contain large IDS submissions.

Accordingly, to have applicants and patent owners filing large IDS submissions cover more of their associated costs, the USPTO is amending § 1.17 by adding new paragraph (v) to implement a new IDS size fee based on the cumulative number of items of information provided by an applicant or patent owner during the pendency of the application or reexamination proceeding. "Provided" in this context refers to items cited on an IDS under § 1.98(a)(1) by an applicant or patent owner, whether or not an actual copy of the cited item is submitted by the applicant or patent owner to the agency.

The IDS size fee sets forth: a first amount (\$200) in § 1.17(v)(1) for a cumulative number of applicant-provided or patent owner-provided items of information in excess of 50; a second amount (\$500) in § 1.17(v)(2) for a cumulative number of applicant-provided or patent-owner-provided items of information in excess of 100 but not exceeding 200, less any amount previously paid under § 1.17(v)(1); and a third amount (\$800) in § 1.17(v)(3) for a cumulative number of applicant-provided or patent owner-provided items of information in excess of 200, less any amounts previously paid under § 1.17(v)(1) and/or (v)(2).

Generally, each item provided (listed under § 1.98(a)(1) on an IDS filed under § 1.97) by an applicant or owner, including each instance of a particular item, will count toward the cumulative number of items of information. For example, if the applicant lists a particular item (e.g., a journal article authored by Marie Curie) twice on the same IDS, each listing will count. Similarly, if the applicant lists the same item in multiple IDSs in the same application, each of those listings will count. However, if a particular item provided by an applicant or patent owner on an IDS was not considered because the item was non-compliant and that particular item is provided on

an IDS a second time in the same application or patent, it will not be counted again. Applicants are reminded that when a U.S. application is listed on an IDS, the examiner will only consider the specification (including the claims) and drawings of the application. If the applicant seeks consideration of documents in the prosecution history of the application such as particular Office actions, they must list such documents separately. See MPEP 609.04(a)(I).

The cumulative count is determined for each application or patent separately. That is, the count from an application does not carry over to any continuing applications, CPAs, reissue applications, or any post-issuance proceedings such as supplemental examinations or reexamination proceedings. Instead, continuing, CPA, and reissue applications and post-issuance proceedings will start with a count of zero. Note, however, that a request for continued examination (RCE) is not the filing of a new application, and thus the count will not reset when an RCE is filed.

Under current IDS practice, an examiner will consider items of information that were considered in a parent application when examining a child application (e.g., a continuation, continuation-in-part, or divisional application) without any action required on the applicant's part. See MPEP 609.02 for information about this practice. Examiners will continue to follow current IDS practice with respect to considering items of information that were cited in parent applications. To be clear, an item of information that an applicant cited in a parent application will not be counted in a child application for purpose of the IDS size fees unless it is resubmitted, *i.e.*, provided by the applicant on an IDS in the child application. Thus, applicants who wish to avoid paying the IDS size fees in a child application for items of information considered in a parent application may do so by not resubmitting the items. An item of information must be resubmitted in the continuing application if the applicant desires the item of information to be printed on the patent. See MPEP 609.02, subsection II.A.2.

Additionally, the USPTO is amending § 1.98(a) to include a new content requirement for an IDS that will facilitate implementation of the IDS size fee. Specifically, the USPTO is requiring that an IDS contain a clear written assertion by the applicant and patent owner that the IDS is accompanied by the appropriate IDS size fee or that no IDS size fee is required. This assertion is necessary because it ensures the

record is clear as to which fee the applicant or patent owner believes may be due (or that no fee may be due) with the IDS so the examiner can promptly ascertain whether the IDS is compliant. There is no specific language required for the written assertion, but it should be readily identifiable on the IDS and clearly convey the applicable IDS size fee by specifying the particular paragraph in § 1.17(v) that applies (*e.g.*, “the fee due under 1.17(v)(2)”), if any.

The following examples illustrate some common situations anticipated to arise in connection with payment of the new fees under § 1.17(v):

*Example 1: Single IDS submission with cumulative count less than fee threshold.* If an applicant submits a single IDS during prosecution with 30 items of information, no IDS size fee would be due. At the time of submitting the IDS, the applicant certifies that no IDS size fee is required.

*Example 2: Single IDS submission with cumulative count exceeding fee threshold.* If an applicant submits a single IDS during prosecution with 101 items of information, the \$500 fee under § 1.17(v)(2) for exceeding 100 items of information, but not exceeding 200, is due. At the time of submitting the IDS, the applicant must certify that the § 1.17(v)(2) fee is due and pay the fee.

*Example 3: Re-submission of item previously refused consideration.* If an applicant submits a first IDS with 49 items of information, no IDS size fee would be due. At the time of submitting the first IDS, the applicant certifies that no IDS size fee is required. When the examiner evaluates the first IDS, the examiner discovers that the copy of a particular item (a journal article authored by Marie Curie) provided by the applicant is blurry and illegible. Accordingly, the examiner does not consider the Curie article. Subsequently, in that same application, the applicant files a second IDS with two items of information, including the same Curie article previously listed and a newly cited item. Because the Curie article was previously before the examiner and refused consideration for being noncompliant, its resubmission in the second IDS is not counted again. Thus, the cumulative number of items of information in the application after submission of the second IDS is only 50 (the total of the 49 items from the first IDS and the newly cited item from the second IDS), and no IDS size fee would be due. At the time of submitting the second IDS, the applicant certifies that no IDS size fee is required.

*Example 4: Multiple IDS submissions covered by the same fee.* If an applicant files a first IDS with 61 items of information, the \$200 fee under § 1.17(v)(1) for exceeding 50 items of information, but not exceeding 100, is due. At the time of submitting the first IDS, the applicant certifies that the § 1.17(v)(1) fee is due and pays the fee. Subsequently, in that same application, if the applicant files a second IDS with 10 items of information, the cumulative number of items of information in the application would be 71. No additional fee would be due, because the cumulative

number of items is still in the range covered by the § 1.17(v)(1) fee that was previously paid. While the applicant must still include a certification with the second IDS, the applicant may certify that no IDS size fee is required with submission of the second IDS.

*Example 5: Multiple IDS submissions requiring additional fees.* If an applicant files a first IDS with 51 items of information, they would certify that the § 1.17(v)(1) fee for exceeding 50 items of information, but not exceeding 100, is due and pay the fee of \$200. Subsequently, in that same application, if the applicant files a second IDS with 50 items of information, the cumulative number of items of information in the application would be 101. The applicant would then certify that the § 1.17(v)(2) fee for exceeding 100 items of information, but not exceeding 200, is due, and pay \$300 (the \$500 fee under § 1.17(v)(2) minus the \$200 previously paid). Further, in that same application, if the applicant files a third IDS with 100 items of information, the cumulative number of items of information in the application would be 201. The applicant would then certify that the § 1.17(v)(3) fee for exceeding 200 items of information is due and pay \$300 (the \$800 fee under § 1.17(v)(3) minus the \$500 previously paid). Thus, in this example, the applicant would pay a combined IDS size fee of \$800 for the three IDSs filed during the pendency of the application.

With respect to the new content requirement under § 1.98(a), the agency envisions modifying USPTO Form PTO/SB/08 to include the requisite written assertion stylized as a set of check boxes corresponding to each IDS size fee, along with an additional box indicating that no IDS size fee is due. Since the form must be signed in accordance with § 1.33(b), certifications under §§ 1.4 and 11.18 will apply. Applicants and patent owners are strongly advised to use the PTO/SB/08 form, but it will not be required. An authorization to charge fees to a deposit account is not a compliant written assertion under the new § 1.98(a) requirement, unless the authorization clearly identifies the particular IDS size fee that should be charged for submission of a particular IDS. For example, language such as “the Director is authorized to charge the § 1.17(v)(2) fee for the IDS submitted on July 1, 2026 to deposit account XX-XXXXX” would be a compliant written assertion because reference to paragraph (v)(2) particularly identifies the IDS size fee due, but language such as “the Director is authorized to charge any applicable IDS size fee to deposit account XX-XXXXX” would not be a compliant written assertion because it fails to establish which IDS size fee is due. General authorizations to charge fees to a deposit account are not compliant written assertions under the new § 1.98(a) requirement. See 37 CFR 1.25 and MPEP 509.01 for more

information about deposit account authorization practice.

It is the applicant’s and patent owner’s responsibility to track the cumulative number of items of information provided in the application and provide a written assertion of any applicable IDS size fee due. In accordance with § 1.97(i), an IDS filed in an application without the written assertion or the necessary IDS size fee will be placed in the file but not considered. The applicant may then file a new IDS accompanied by the written assertion or necessary IDS size fee, but the date the new IDS is filed will be the date of the IDS for purposes of determining compliance with § 1.97. See MPEP 609.05(a). An IDS filed in a reexamination proceeding without the written assertion or the necessary IDS size fee will be placed in the file and will remain of record, but the IDS will not be considered.

Applicants are reminded that the duty of disclosure under §§ 1.56 and 1.555 only requires the submission of information material to patentability. Material information is described in §§ 1.56(b) and 1.555(b) as information that is not cumulative to information already of record and (1) establishes, by itself or in combination with other information, a *prima facie* case of unpatentability of a claim; or (2) refutes or is inconsistent with a position the applicant takes in opposing an argument of unpatentability relied on by the USPTO or asserting an argument of patentability. The United States Court of Appeals for the Federal Circuit uses an even higher standard for materiality than the §§ 1.56(b) and 1.555(b) standards by requiring “but-for” materiality, such that the USPTO would not have allowed a claim had it been aware of the undisclosed information. *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1288, 99 USPQ2d 1065, 1071 (Fed. Cir. 2011) (*en banc*). Neither the §§ 1.56(b) and 1.555(b) standards nor the Federal Circuit’s “but-for” standard require the submission of clearly irrelevant or marginally relevant information.

By placing more of the cost for considering IDS submissions totaling over 50 items of information on the applicants who file such IDS submissions, less cost will be borne across the patent system. To the extent that the IDS size fees may encourage some applicants to filter out irrelevant or cumulative information prior to submission, the examiners of those applications will be able to focus on the more relevant information and perform a more efficient and effective

examination, thus benefiting the patent system as a whole.

The USPTO does not believe the IDS size fee will have a large impact on patent applicants or owners. As stated previously, a majority of applicants do not provide large amounts of information for consideration. Based on current IDS filing volume, the vast majority (approximately 87%) of applications will not be affected by these fees because they contain 50 or fewer applicant-provided items of information. Only 13% of applications contain more than 50 applicant-provided items of information. About 5% of applications contain 51 to 100

applicant-provided items of information and would incur only the first fee in § 1.17(v)(1), about 4% of applications contain 101 to 200 applicant-provided items of information and would incur the first and second fees in § 1.17(v)(1) and (v)(2), and only 4% of applications contain more than 200 applicant-provided items of information and would incur all three fees in § 1.17(v)(1), (v)(2), and (v)(3). Additionally, the fee should not disproportionately impact small and micro entities. During FY 2022, small entities accounted for only 25% of applications that would incur a fee, while micro entities made up less than 1%. When compared to all utility

application filings that same year, only 1 in 62 applications filed by micro entities and 1 in 7.5 applications filed by small entities would incur an IDS size fee.

7. Patent Term Adjustment Fees

The USPTO considered the public feedback on the proposed increase from \$210 to \$300 for filing an application for patent term adjustment under § 1.705(b) and decided not to proceed with this proposal. Instead, the fee for this service will be increased in accordance with the across-the-board adjustment applied to most patent fees.

8. Patent Term Extension Fees

Table 11: Patent Term Extension Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Application for extension of term of patent	Undiscounted	\$1,180	\$2,500	\$1,320	119	\$2,078
Initial application for interim extension (see 37 CFR 1.790)	Undiscounted	\$440	\$1,320	\$880	200	\$364
Subsequent application for interim extension (see 37 CFR 1.790)	Undiscounted	\$230	\$680	\$450	196	\$364
Supplemental redetermination after notice of final determination	Undiscounted	New	\$1,440	n/a	n/a	n/a

The USPTO is increasing the fees for filing applications for patent term extensions (PTE) and applications for interim extensions under 35 U.S.C. 156 and implementing a new fee for requesting a supplemental redetermination of the PTE in a pending PTE application. These changes adjust the fee rates for inflation, reflect the full cost of these services, and support the agency’s fee setting policy of aligning fees with the costs of providing the service. The fees for these services are set forth in § 1.20(j).

The PTE service and fee were introduced in October 1984 as part of initial operating guidelines established after enactment of the PTE provisions of 35 U.S.C. 156 in the Drug Price Competition and Patent Term

Restoration Act of 1984 (Pub. L. 98–417, 98 Stat. 1585 (1984)) (Hatch-Waxman Act). See Guidelines for Extension of Patent Term under 35 U.S.C. 156, 1047 Off. Gaz. Pat. Office 16 (Oct. 9, 1984). Patent term extensions under 35 U.S.C. 156 enable owners of patents claiming certain products subject to premarket regulatory review to restore to the terms of those patents some of the time lost while awaiting premarket approval for the products from a regulatory agency. The products eligible for PTE services under 35 U.S.C. 156 include human drug products, medical devices, animal drugs, and food or color additive products, all of which are regulated by the FDA, and veterinary biological products, which are regulated by the United States Department of Agriculture

(USDA). See MPEP 2750 for more information regarding the legislative history and scope of the Hatch-Waxman Act with respect to PTE.

In accordance with this law and its implementing regulations, the patent owner must file an application for PTE with the USPTO within a short time after the product receives permission for commercial marketing or use from the applicable regulatory agency (i.e., the FDA or the USDA). See MPEP 2754 *et seq.* Upon receipt, the USPTO reviews the application, applicant, patent, and claimed product or process and then works with the applicable regulatory agency to evaluate compliance with the statutory requirements for PTE under 35 U.S.C. 156. While it is the USPTO’s responsibility to decide whether an

applicant has satisfied statutory requirements and whether the patent qualifies for PTE, the applicable regulatory agency possesses expertise and records regarding some statutory requirements and has certain direct responsibilities under 35 U.S.C. 156 for determining length of the regulatory review period. See MPEP 2756 for a more detailed explanation of how the USPTO works with these regulatory agencies to determine a patent's eligibility for PTE under 35 U.S.C. 156. Once the USPTO has received the necessary information from the regulatory agency, it determines the applicable PTE (if any) and formulates a notice of final determination or determination of ineligibility, reviews any responses or reconsideration requests received from the patent owner, and prepares a final determination or certificate as appropriate. See MPEP 2755 through 2759 for an explanation of this process. Because of the coordination and communication required between the USPTO and the appropriate regulatory agency and the complexity of the legal determinations involved, it often takes two or more years to reach a final determination or determination of ineligibility. The time required varies greatly depending on the individual circumstances of each application.

When introduced in 1984, the fee for this service was set at \$750 and has since increased to \$1,180. See *e.g.*, "Guidelines for Extension of Patent Term Under 35 U.S.C. 156," 1047 OG 16 (Oct. 9, 1984), "Rules for Extension of Patent Term," 52 FR 9386 (Mar. 24, 1987), and FY 2020 Final Rule. If the original fee were adjusted for inflation as measured by the CPI, it would be \$2,238 as of June 2024. Moreover, the complexity and cost of this service has increased over time due to the subject matter and legal expertise required to evaluate the statutory requirements. Thus, the USPTO proposed to raise the § 1.20(j)(1) fee for this service from \$1,180 to \$6,700.

While the proposed fee was greater than the reported unit cost in the NPRM (\$2,581 for FY 2022), the USPTO did not begin formally tracking the unit cost of this specific service until midway through FY 2021. Prior to FY 2018, the service volume was quite low at about 42 applications each year. Since then, volume has averaged 100-plus applications each year. As previously noted, PTE services involve work that is performed over the course of multiple years, with individual applications varying widely in terms of their complexity and the length of time it requires to obtain the necessary

information from the PTE applicant and the appropriate regulatory agency. The USPTO is exploring how it can improve its expense modeling for these services. For more information about how the USPTO determines fee unit expenses, see the document titled, "USPTO Setting and Adjusting Patent Fees During Fiscal Year 2025—Activity Based Information and Patent Fee Unit Expense Methodology," available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

The USPTO is also implementing a new service fee in § 1.20(j)(4) that applies to the approximately one-third of applications for PTE in which the user files a response that includes a terminal disclaimer after receiving the notice of final determination. The submission of terminal disclaimers at this late stage in the review process affects the patent term, requiring the USPTO to engage in a substantial amount of rework to recalculate the applicable PTE and make a supplemental redetermination of the appropriate extension in view of the disclaimer. These submissions became more common after the Federal Circuit's decision in *Gilead Sciences, Inc. v. Natco Pharma Ltd.*, 753 F.3d 1208 (Fed. Cir. 2014), which made it clear that the extended term of a patent can be affected by a terminal disclaimer filed against a later-issued but earlier-expiring reference patent.

These late-stage disclaimer submissions are expected to become more common in the future because of *In re Collect*, 81 F.4th 1216 (Fed. Cir. 2023), in which the Federal Circuit explained that patent term adjustment and PTE are treated differently with respect to nonstatutory double patenting and terminal disclaimers. Currently, beneficiaries of this rework receive this additional service for free because the cost is subsidized by other users (*e.g.*, by unrelated fee collections from other patent applicants and owners). In accordance with user fee design principles, the USPTO is implementing a new fee of \$1,440 to cover the costs of this service and to be paid by users who benefit from it. Because the notice of final determination is mailed at a late stage of the review process, most PTE service users will have a window of several years during the review process to submit terminal disclaimers without incurring this additional fee.

The USPTO is also increasing the § 1.20(j)(2) and (j)(3) fees for filing applications for interim PTE under § 1.790. This service and fees were introduced in 1994 in response to an amendment of the Hatch-Waxman Act

that added 35 U.S.C. 156(d)(5). See MPEP 2750 and Guidelines for Interim Extension Under 35 U.S.C. 156(d)(5) of a Patent Term Prior To Regulatory Approval of a Product for Commercial Marketing or Use—Public Law 103–179 (Dec. 3, 1993), 1159 Off. Gaz. Pat. 12 (Feb. 1, 1994). Interim patent extension under 35 U.S.C. 156(d)(5) is available for a patent claiming a product that is undergoing the approval phase of regulatory review as defined in 35 U.S.C. 156(g) if the patent is expected to expire before approval is granted. The application of an interim patent extension is very similar to an application for PTE with a similar evaluation process, except the USPTO is not required to seek the advice of the regulatory agency. See MPEP 2755.02 for more information regarding this service.

The interim extension service has a very low volume of about 20 or fewer applications each year, but it is costly and requires special handling due to the subject matter and legal expertise required to evaluate the statutory requirements. The USPTO is raising the § 1.20(j)(2) fees from \$440 to \$1,320 for the initial (first) application for an interim extension of patent term and the § 1.20(j)(3) fees from \$230 to \$680 for each subsequent application. This fee increase will help recover the agency's costs of performing this service. Upon its introduction in 1994, the fees for this service were set at \$400 for an initial application and \$200 for subsequent applications, and they have increased by only \$40 and \$30, respectively, since. See FY 2020 Final Rule.

No PTE-related fees are eligible for entity discounts in this fee setting because section 10(b) of the AIA, as amended by the UAIA, only authorizes discounting six categories of fees (*i.e.*, fees for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents). PTE-related fees do not fall into any of the section 10 categories. Even without discounts, the USPTO expects that PTE service users will be financially able to pay for the PTE services they are requesting because the service is limited to certain patents on human drug products, medical devices, animal drugs, food or color additive products, and veterinary biological products.

Over the last 40 years, 81% of PTE applications concerned human drug products, 15% concerned medical devices, 3% concerned animal drugs, and about 1% concerned food or color additive products or veterinary biological products. See, *e.g.*, the USPTO website at <https://www.uspto.gov/patents/laws/patent->

*term-extension/patent-terms-extended-under-35-usc-156*, which provides a list of patents that have been extended via this service. It costs companies millions or billions of dollars to research, develop, test, and obtain regulatory

approval for the products and medical devices that are the subjects of PTE applications. Thus, when compared to either FDA user fees or the research and development costs required to develop a new drug and obtain marketing

approval, the fees to obtain a PTE for the patent covering such a new drug are quite small.<sup>1</sup>

9. Request for Continued Examination Fees

Table 12: Request for Continued Examination Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	Undiscounted	\$1,360	\$1,500	\$140	10	\$3,110
Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	Small	\$544	\$600	\$56	10	\$3,110
Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	Micro	\$272	\$300	\$28	10	\$3,110
Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	Undiscounted	\$2,000	\$2,860	\$860	43	\$2,258
Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	Small	\$800	\$1,144	\$344	43	\$2,258
Request for continued examination (RCE) - 2 <sup>nd</sup> and subsequent request (see 37 CFR 1.114)	Micro	\$400	\$572	\$172	43	\$2,258

For utility and plant applications where prosecution is closed (e.g., a final rejection has been mailed), the applicant may file a request for continued examination (RCE) and pay a specified

fee within the requisite time period. Applicants typically file an RCE when they choose to continue prosecution before an examiner rather than appeal a rejection or abandon the application.

Prior to application abandonment, applicants may also file a continuing application to extend prosecution rather than file an RCE.

Since FY 2013, the USPTO has split RCE fees into two parts: (1) a fee for a first RCE and (2) a second, higher fee for a second or subsequent RCE. “See Setting and Adjusting Patent Fees,” 78 FR 4212 (Jan. 18, 2013). Higher fees for RCEs filed after the first RCE are intended to help promote more compact prosecutions by reducing RCE filings in favor of appeal or reaching agreement with an examiner. Higher fees for successively filed RCEs also address the inequities of providing further subsidies to those applicants who use more USPTO resources per application than others. As explained in the USPTO’s FY 2013 rulemaking, 78 FR at 4245, because the USPTO sets the fee for the first RCE below the costs to process it, the agency must recoup those costs elsewhere. Since most applicants resolve their issues with the first RCE, the agency determined that applicants who file more than one RCE are using the patent system more extensively than those who file zero or only one RCE. Therefore, the USPTO determined in the FY 2013 rulemaking that the cost to review applications with multiple RCEs should not be subsidized with other back-end fees to the same extent as applications with a first RCE, newly filed applications, or other continuing applications. This splitting of the fees promotes compact prosecution and more appropriately distributes the benefit of the low barrier to entry feature of below cost front-end fees.

The USPTO’s FY 2017 fee setting rulemaking maintained the undiscounted fee for a first RCE well below cost but set the undiscounted fee for second and subsequent RCEs at 19% above cost. See “Setting and Adjusting Patent Fees During Fiscal Year 2017,” 82 FR 52780 (Nov. 14, 2017). The initial undiscounted RCE fee from FY 2017 would have required an applicant to file four RCEs for the USPTO to mostly recover the costs for treating all of the applicant’s RCE filings. These costs have increased annually since FY 2017. In fact, the current undiscounted fee for second and subsequent RCEs is set so far below cost that no amount of RCE

filings would result in the agency recapturing the costs of providing the service.

The bifurcated fee structure does not appear to have had much effect on RCE filing behavior. During FY 2011, when the agency’s fee schedule set only one RCE fee, RCE filings comprised about 30% of all RCE and utility patent application filings collectively. In FY 2018, RCE filings comprised 29% of the total despite the bifurcated fee structure introduced in FY 2013. The RCE filing percentage declined to 25% in FY 2021 and 23% in FY 2022. It is unlikely these recent decreases resulted from the bifurcated fee structure, as the RCE filing percentage was hardly affected in the years immediately following FY 2013.

The USPTO had proposed in the NPRM to trifurcate the RCE fee structure, *i.e.*, to split the existing RCE fees into three parts—a fee for a first RCE, a higher fee for a second RCE, and a still higher fee for third and subsequent RCEs filed in a single patent application. Under the trifurcated structure, the undiscounted fee for a first RCE would have been more than 50% below cost, and the undiscounted fee for a second RCE would have been just above cost. As proposed, the undiscounted fee for third and subsequent RCEs would have been enough above current RCE costs that a third RCE from an applicant with no entity status discount, combined with the fees for filing the first two RCEs, would have covered agency costs for treating all three RCEs.

During the public comment period on the NPRM, the USPTO received a number of comments expressing concerns over the proposal to trifurcate the RCE fees. Having further considered the public feedback on this proposal, the USPTO decided against proceeding with this proposal. Instead, the USPTO will retain the existing bifurcated RCE fee structure in which the first RCE is charged at a lower rate than the second and subsequent RCEs.

In this final rule, the USPTO is increasing the § 1.17(e)(1) fee for a first

RCE (\$1,500 for undiscounted entities) only 10%, similar to the across-the-board adjustment applied to most patent fees. The undiscounted fee for a first RCE will thus remain more than 50% below cost (\$3,110 in FY 2023). In accordance with the existing rationale for the bifurcated fee structure described above in connection with the FY 2013 and FY 2017 fee settings, the USPTO is increasing the undiscounted § 1.17(e)(2) fee for the second and subsequent RCEs to an amount (\$2,860) that is above the agency’s costs of processing those RCEs (\$2,258 in FY 2023).

Even at the undiscounted rate, the fee for second and subsequent RCEs does not fully recoup the costs associated with the first RCE, and the agency must recoup those costs elsewhere (*e.g.*, for the second RCE, the USPTO has incurred \$5,368 in RCE costs for the first and second RCEs, but has received only \$4,360 in RCE fees from an undiscounted entity). It is not until the fourth and subsequent RCEs that the cumulative undiscounted RCE fees recover the cumulative RCE processing costs. Moreover, although RCEs in applications receiving entity discounts incur the same processing costs, the discounted fees are so far below cost that the agency would never recoup its costs regardless of the number of RCEs filed (*e.g.*, for the second RCE, the USPTO has incurred \$5,368 in RCE costs for the first and second RCEs, but has received only \$1,744 in RCE fees from a small entity and \$872 from a micro entity). The final rule thus leaves the agency in essentially the same position financially as it has been since FY 2017, in that it will not recover its RCE processing costs from an applicant paying undiscounted RCE fees until the fourth or subsequent RCE filing and never recover its costs from applicants paying discounted RCE fees. For all RCEs (first, second, and subsequent), about 76% are filed by undiscounted entities, 22% by small entities, and 2% by micro entities.

10. Suspension of Action Fees



Table 13: Suspension of Action Fees

Description	Entity Type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
First request for suspension of action	Undiscounted	\$220	\$300	\$80	36	n/a
First request for suspension of action	Small	\$88	\$120	\$32	36	n/a
First request for suspension of action	Micro	\$44	\$60	\$16	36	n/a
Subsequent request for suspension of action	Undiscounted	\$220	\$450	\$230	105	n/a
Subsequent request for suspension of action	Small	\$88	\$180	\$92	105	n/a
Subsequent request for suspension of action	Micro	\$44	\$90	\$46	105	n/a

Currently, § 1.103(a) permits applicants to request a suspension of action for a period not exceeding six months for good and sufficient cause. The patent examiner typically decides the first request for suspension. Second and subsequent requests require Technology Center director approval. Due to the heightened approval level, these requests cost the USPTO more to process. Additionally, the pendency of an application increases as more requests for suspension are requested and granted.

The USPTO is creating a new tiered fee structure for requests for suspension of action under § 1.103(a). Specifically, the agency is increasing the undiscounted fee for a first suspension request to \$300 and establishing a new undiscounted fee of \$450 for the second or subsequent requests in the same application. The fee increases strive to shift the costs of the service to those applicants who request suspensions, thereby reducing subsidization from other fees. This increase will not affect fees for suspensions of action requested at the time of filing a CPA under § 1.103(b) or an RCE under § 1.103(c).

To effect this change, the USPTO is amending § 1.17(g) by splitting it into two paragraphs, (g)(1) and (g)(2). Paragraph (g)(1) covers all fees formerly encompassed by § 1.17(g), other than those for suspension of action under § 1.103(a). Paragraph (g)(2) covers fees for suspension of action under § 1.103(a) and is bifurcated so that new paragraph (g)(2)(i) covers the fee for the first suspension request and new paragraph (g)(2)(ii) covers the fee for the second and subsequent requests. The § 1.17(g)(2) fees are the tiered suspension of action fees proposed in the NPRM and shown above in table 13.

The USPTO receives approximately 2,500 requests for suspension under § 1.103(a) each year. Of those requests, 86% are filed by undiscounted entities, 12% by small entities, and 2% by micro entities. Given the availability of entity discounts, the USPTO believes this fee increase will generally have a negligible impact on small and micro entities.

11. Terminal Disclaimer Fees

In the NPRM, the USPTO proposed creating a new tiered fee structure for terminal disclaimers. The proposed fees

for filing such terminal disclaimers would have increased and would have varied depending on the stage of examination of the application in which the terminal disclaimer was filed. In particular, the proposal would have created five tiers of fees for filing terminal disclaimers, beginning at \$200 for the first tier and increasing by \$300 for each subsequent tier. The proposed structure focused on encouraging applicants to promptly address double patenting issues that arise during prosecution.

However, during the public comment period, the USPTO received a number of comments expressing concerns over the proposed structure, particularly whether applicants would be able to make informed decisions on whether to file a terminal disclaimer before the fees escalated. The USPTO considered the public feedback and decided not to proceed with this proposal. Instead, the fee for this service will be increased in accordance with the across-the-board adjustment applied to most patent fees.

12. Unintentional Delay Petition Fees

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Table 14: Unintentional Delay Petition Fees

<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>	<b>Dollar change</b>	<b>Percent change</b>	<b>FY 2023 unit cost</b>
Petition for the delayed payment of the fee for maintaining a patent in force, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260	\$160	8	\$133
Petition for the delayed payment of the fee for maintaining a patent in force, delay less than or equal to two years	Small	\$840	\$904	\$64	8	\$133
Petition for the delayed payment of the fee for maintaining a patent in force, delay less than or equal to two years	Micro	\$420	\$452	\$32	8	\$133
Petition for the delayed payment of the fee for maintaining a patent in force, delay greater than two years	Undiscounted	\$2,100	\$3,000	\$900	43	n/a
Petition for the delayed payment of the fee for maintaining a patent in force, delay greater than two years	Small	\$840	\$1,200	\$360	43	n/a

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Petition for the delayed payment of the fee for maintaining a patent in force, delay greater than two years	Micro	\$420	\$600	\$180	43	n/a
Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260	\$160	8	\$372
Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay less than or equal to two years	Small	\$840	\$904	\$64	8	\$372
Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay less than or equal to two years	Micro	\$420	\$452	\$32	8	\$372

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay greater than two years	Undiscounted	\$2,100	\$3,000	\$900	43	n/a
Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay greater than two years	Small	\$840	\$1,200	\$360	43	n/a
Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay greater than two years	Micro	\$420	\$600	\$180	43	n/a
Petition for the delayed submission of a priority or benefit claim, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260	\$160	8	\$376
Petition for the delayed submission of a priority or benefit claim, delay less than or equal to two years	Small	\$840	\$904	\$64	8	\$376

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Petition for the delayed submission of a priority or benefit claim, delay less than or equal to two years	Micro	\$420	\$452	\$32	8	\$376
Petition for the delayed submission of a priority or benefit claim, delay greater than two years	Undiscounted	\$2,100	\$3,000	\$900	43	n/a
Petition for the delayed submission of a priority or benefit claim, delay greater than two years	Small	\$840	\$1,200	\$360	43	n/a
Petition for the delayed submission of a priority or benefit claim, delay greater than two years	Micro	\$420	\$600	\$180	43	n/a
Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260	\$160	8	n/a
Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay less than or equal to two years	Small	\$840	\$904	\$64	8	n/a
Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay less than or equal to two years	Micro	\$420	\$452	\$32	8	n/a

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay greater than two years	Undiscounted	\$2,100	\$3,000	\$900	43	n/a
Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay greater than two years	Small	\$840	\$1,200	\$360	43	n/a
Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay greater than two years	Micro	\$420	\$600	\$180	43	n/a

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During FY 2020, the USPTO issued a notice to clarify when additional information is required to support a petition for unintentional delay. See “Clarification of the Practice for Requiring Additional Information in Petitions Filed in Patent Applications and Patents Based on Unintentional Delay,” 85 FR 12222 (March 2, 2020) (2020 Notice). Petitions based on unintentional delay include petitions seeking revival of an abandoned application, acceptance of a delayed maintenance fee payment, and acceptance of a delayed priority or benefit claim. The 2020 Notice clarified that “any applicant filing a petition to revive an abandoned application under § 1.137 more than two years after the date of abandonment, any patentee filing a petition to accept a delayed maintenance fee under § 1.378 more than two years after the date of expiration for nonpayment of a maintenance fee, and any applicant or patent owner filing a petition to accept a delayed priority or benefit claim under § 1.55(e) or § 1.78(c) and (e) more than two years after the due date of the priority or benefit claim should expect to be required to provide an additional

explanation of the circumstances surrounding the delay that establishes that the entire delay was unintentional.” Id. at 12223.

As the evidentiary requirements for these petitions have increased, the costs to review and treat these petitions have also increased due to the higher level of review needed to consider the additional explanation. Accordingly, the USPTO is setting a new, higher fee for petitions based on unintentional delay over two years to recover their additional associated costs. The higher fee should encourage timely petition filings and avoid delays in the examination process. Timely filing of petitions based on unintentional delay benefits applicants because it avoids delays in the examination process, and it also benefits the patent system as a whole by reducing uncertainty and unpredictability relating to patent rights, inasmuch as the abandoned status of an application, the expired status of a patent, or an absence of the priority or benefit claim could be relied upon by other parties.

To effect this change, the USPTO is amending § 1.17(m) by splitting it into three paragraphs, (m)(1) through (m)(3). Paragraph (m)(1) implements the new

higher fee (\$3,000 for undiscounted entities) for petitions based on unintentional delay over two years. This higher fee will apply to petitions under § 1.78(c) and (e) to accept a delayed benefit claim submitted more than two years after the date the benefit claim was due, under § 1.55(e) to accept a delayed priority claim more than two years after the date the foreign priority claim was due, under § 1.137 to revive an abandoned application or reexamination proceeding more than two years after the date of abandonment, under § 1.378 to seek reinstatement of an expired patent more than two years after the date of expiration for nonpayment of a maintenance fee, and under § 1.1051 to excuse an applicant’s failure to act within prescribed time limits in an international design application.

Paragraph (m)(2) implements the fee for petitions based on unintentional delay that is less than or equal to two years, and paragraph (m)(3) implements the fee for petitions requesting restoration of the right of priority, *i.e.*, petitions under § 1.55(c), § 1.78(b), or § 1.452 for the extension of the 12-month (6-month for designs) period for filing a subsequent application. These

fees are also increasing as compared to the current § 1.17(m) fee (from \$2,100 to \$2,260 for undiscounted entities) in accordance with the across-the-board adjustment applied to most patent fees.

The USPTO receives approximately 12,000 petitions each year based upon

the unintentional standard (FY 2021, 12,752 petitions; FY 2022, 11,755 petitions; FY 2023, 11,304 petitions). About 10% of these petitions (1,200) have a delay of more than two years. Therefore, the higher cost for petitions having a delay of greater than two years

should not have a significant impact on patent applicants overall. The increased fee will help ensure those applicants requesting the service pay its costs, thereby reducing subsidization from other patent applicants.

13. America Invents Act Trial Fees

Table 15: America Invents Act Trial Fees

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Inter partes review request fee - Up to 20 claims	Undiscounted	\$19,000	\$23,750	\$4,750	25	\$26,308
Inter partes review post-institution fee - Up to 20 claims	Undiscounted	\$22,500	\$28,125	\$5,625	25	\$36,371
Inter partes review request of each claim in excess of 20	Undiscounted	\$375	\$470	\$95	25	n/a
Inter partes post-institution request of each claim in excess of 20	Undiscounted	\$750	\$940	\$190	25	n/a
Post-grant or covered business method review request fee - Up to 20 claims	Undiscounted	\$20,000	\$25,000	\$5,000	25	\$40,100
Post-grant or covered business method review post-institution fee - Up to 20 claims	Undiscounted	\$27,500	\$34,375	\$6,875	25	\$51,832
Post-grant or covered business method review request of each claim in excess of 20	Undiscounted	\$475	\$595	\$120	25	n/a
Post-grant or covered business method review post-institution request of each claim in excess of 20	Undiscounted	\$1,050	\$1,315	\$265	25	n/a

As proposed, the USPTO is increasing existing fees for AIA trial proceedings by 25%. Under 35 U.S.C. 311(a) and 321(a), the USPTO Director must establish reasonable fees for inter partes review and post-grant review in relation

to their aggregate costs. The fee increases will better align the fee rates charged to petitioners with the actual costs borne by the USPTO in providing these proceedings. This change will help the PTAB maintain the appropriate

level of judicial and administrative resources to continue providing high-quality and timely decisions for AIA trials.

14. Request for Review of a PTAB Decision by the Director Fee

Table 16: Request for Review of a PTAB decision by the Director Fee

Description	Entity type	Current fee	Final rule fee	Dollar change	Percent change	FY 2023 unit cost
Request for review of a PTAB decision by the Director	Undiscounted	New	\$452	n/a	n/a	n/a

The USPTO is setting a new fee for parties requesting Director Review in AIA trial proceedings under part 42. The fee is set at the same rate as a petition to the Chief Judge in ex parte appeals (see 37 CFR 42.20(a)) and is designed to partially recover the USPTO's costs for conducting Director Reviews. The new fee is part of the agency's ongoing efforts to formalize the Director Review process developed in response to the Supreme Court's decision in *United States v. Arthrex, Inc.* and furthers the USPTO's goals of promoting innovation through consistent, transparent decision-making and the issuance and maintenance of reliable patents.

More specifically, *Arthrex* explained that "constitutional principles chart a clear course: Decisions by [administrative patent judges (AP)Js] must be subject to review by the Director." See 141 S. Ct. 1970, 1986 (2021). Following the statutory authority provided to the Director by Congress and the constitutional principles explained by the Supreme Court, the USPTO set forth an interim process for Director Review, which has been updated periodically. The agency sought public feedback on the interim process and is using feedback to promulgate rules. See "Rules Governing Director Review of Patent Trial and Appeal Board Decisions," 89 FR 26807 (April 16, 2024); "Request for Comments on Director Review, Precedential Opinion Panel Review, and Internal Circulation and Review of Patent Trial and Appeal Board Decisions," 87 FR 43249 (July 20, 2022).

As a part of the interim process, when the USPTO receives a Director Review request from a party to an AIA proceeding, the request is processed and routed to an advisory committee that assists with Director Review. The committee includes at least 11 representatives from various USPTO business units who serve at the Director's discretion. Members independently review each request and associated case materials, and the

committee meets regularly to recommend which requests for review should be granted. The Director considers each request, its case materials, and the committee's recommendation in determining whether to grant or deny review. When the Director determines to grant review, personnel from various USPTO business units assist in case processing and in issuing and publicizing the Director Review decision.

Given the number of agency personnel involved in Director Review, the USPTO expects the new fee will be relatively small compared to the overall costs. The agency plans to formally capture and evaluate these costs after the fee takes effect.

#### *D. Amendment to Obtaining a Refund Through Express Abandonment*

The USPTO is amending paragraph (d) of § 1.138, which permits an applicant to obtain a refund of the search and excess claims fees that were paid in an application by submitting a petition and declaration of express abandonment before an examination has been made of the application. The current rule permits such refunds only in nonprovisional applications filed under 35 U.S.C. 111(a) and § 1.53(b). The amendment expands the applicability of the rule to permit such refunds in national stage applications filed under 35 U.S.C. 371.

The amendment also clarifies that refunds of search and excess claims fee payments under these provisions are limited to the search and excess claims fees set forth in § 1.16 (which apply to applications filed under 35 U.S.C. 111(a) and § 1.53(b)) and § 1.492 (which apply to national stage applications filed under 35 U.S.C. 371). No refunds will be permitted of any search fees paid under § 1.445 during the international stage of an application filed under the PCT, even if such an application later enters the national stage under 35 U.S.C. 371.

The petition process and the conditions under which a refund will be granted will not otherwise change. See

MPEP 711.01, subsection III for more information. The amendment puts national stage applications on the same footing as applications filed under 35 U.S.C. 111(a) when an application is expressly abandoned prior to examination.

#### **VI. Discussion of Comments**

##### *Comments and Responses*

The USPTO published a proposed rule on April 3, 2024, soliciting comments on the proposed fee schedule. In response, the USPTO received comments from 28 associations and individuals including intellectual property organizations, law firms, corporations, attorneys, and others. These comments are available on [Regulations.gov](https://www.regulations.gov/docket/PTO-P-2022-0033) at <https://www.regulations.gov/docket/PTO-P-2022-0033>.

Summaries of comments and the agency's responses follow.

##### *General Fee Setting Approach*

*Comment 1:* One commenter stated that most of the fee proposals are necessary and appropriate. The commenter also urged Congress to appropriate previously diverted funds from the USPTO budget back to the agency to improve the patent examination process.

*Response:* The USPTO appreciates the feedback from the commenter and is committed to achieving the goals developed in consultation with the stakeholder community as set forth in the Strategic Plan. Comments directed to Congress are outside the scope of this rulemaking.

*Comment 2:* One commenter expressed their support of the proposals set forth in the NPRM in their entirety.

*Response:* The USPTO appreciates the commenter's support for the proposed fees. The fees in the final rule will give the agency sufficient financial resources to facilitate the effective administration of the U.S. patent system and implement the goals outlined in the Strategic Plan.

*Comment 3:* One commenter expressed their support of the



proposals, noting that the adjustments will allow the USPTO to come closer to recovering its aggregate costs for patent examination activities by better aligning fees with the costs of products and services, while also promoting more efficient patent prosecution.

*Response:* The USPTO appreciates the commenter's feedback. The agency carefully considered all comments it received about the proposals outlined in the NPRM and believes the fees in the final rule strike a balance between addressing commenter concerns and providing sufficient financial resources to recover the aggregate estimated costs of patent operations and support the goals described in the Strategic Plan.

*Comment 4:* Commenters stated that the proposed fee increases are severe and appear to represent a departure from the USPTO's historic practice of adjusting fees incrementally to reflect anticipated cost increases and agency priorities.

*Response:* The USPTO recognizes that higher fees will affect entities interacting with the agency. The USPTO is experiencing an increase in aggregate costs, and fee increases are necessary to maintain operations and deliver the priorities listed in the Strategic Plan. Most fees fall into the across-the-board and front-end adjustments and will increase around 7.5% or 10% respectively. It has been more than four years since the agency's last fee adjustment in October 2020 and these increases are well below the prevailing inflation rate since then. While some fees are increasing by larger percentages and new fees are being introduced, the rationales for these increases are explained in Part V(c): Targeted Adjustments to Patent Fees. Moreover, the time frame associated with the fee setting process inherently provides for the phasing in of fee changes. For example, this fee setting process began with a proposal presented to PPAC in April 2023, and the public has had two opportunities to review and comment on the fee proposals as part of the process since then. The USPTO refined the fee proposal in both the NPRM and this final rule based on feedback from the public and PPAC.

*Comment 5:* One commenter stated that the proposals run counter to the USPTO's stated goals and mission and could drive smaller companies and start-ups out of the U.S. patent process.

*Response:* Helping small businesses and independent inventors with limited resources is important to the USPTO. The agency provides several free or reduced-fee programs to assist independent inventors and small businesses in securing patent protection

for their inventions, including the Patent Pro Bono Program, Pro Se Assistance Program, and Law School Clinic Certification Program, as well as tips to avoid scams. More information on these programs can be found on the USPTO website: <https://www.uspto.gov/ProBonoPatents>, <https://www.uspto.gov/ProSePatents>, and <https://www.uspto.gov/LawSchoolClinic>.

The USPTO also offers reduced fees for small and micro entities. Applicants qualifying as a micro entity under section 11(g) of the AIA are eligible for an 80% reduction on most fees, and applicants qualifying as a small entity under 35 U.S.C. 41(h)(1) are eligible for a 60% fee reduction. Many of the small and micro entity fees adjusted in this rule will continue to be lower than the fee rates that were in place prior to passage of the UAIA, which increased the percentages of these discounts.

*Comment 6:* One commenter suggested that several of the proposed fee adjustments are punitive charges.

*Response:* The USPTO has increased fees via this final rule because it is required by law to recover its aggregate estimated costs for processing, activities, services, and materials relating to the patent system, including administrative costs with respect to such patent fees. The agency set many of the targeted fee adjustments in this final rule to recover more costs directly from the users of services that increase the agency's costs of processing and examination. Setting fees lower than prescribed in the final rule would necessitate an offset by raising other fees, reducing spending on core mission and strategic priorities, or depleting the operating reserves, thereby significantly increasing agency financial risk. More information on why the USPTO is setting individual fees at the specified rates can be found in Part V: Individual Fee Rationale of this rule.

*Comment 7:* One commenter stated that an increase in the price of obtaining a patent can be expected to decrease patents and innovation. The commenter believed increasing fees to cover the agency's costs could lead to excessive spending and suggested reducing costs rather than increasing fees and potentially disincentivizing innovation.

*Response:* The USPTO recognizes its duty to stakeholders to be good stewards of the patent system and continues to pursue efforts to increase efficiency and control costs.

Additionally, the agency conducted an elasticity analysis (*i.e.*, an assessment of the degree to which changes in fee rates affect demand for services) as part of a prior rulemaking and found that patent fees are relatively inelastic. As

such, increases of the nature contained in this rule would not be expected to significantly deter innovation. A description of elasticity estimates can be found on the fee setting and adjusting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

The USPTO recognizes that fees cannot simply increase for every improvement it deems desirable. The USPTO's financial advisory board evaluates financial risk and determines which expenses are truly necessary to achieve performance outcomes and service level commitments to stakeholders. As noted in the FY 2023 AFR, available on the agency website at <https://www.uspto.gov/AnnualReport>, total costs for the patent program increased 13.8% from FY 2019 to FY 2023, well below the CPI-U, which grew by 19.9% over the same period.

*Comment 8:* One commenter stated that the patent system is not well suited to sudden changes and requested that the USPTO consider a more moderate, incremental approach to raising fees and adding new ones.

*Response:* The time frame associated with the fee setting process inherently provides for the phasing in of fee changes and intentionally incorporates multiple opportunities for public feedback. As part of the fee setting process, the public has had two opportunities to review and comment on the fee proposals. The agency refined the fee proposals in both the NPRM and this final rule based on feedback from the public and PPAC, including reducing some proposed fee increases.

*Comment 9:* Commenters stated that dramatic, controversial fee increases run the risk of the USPTO losing its fee setting authority or having it renewed only for another relatively short period of time. Commenters cautioned the USPTO against reopening the door to congressional interest in USPTO user fees and potential fee diversions from collecting excessive funds.

*Response:* The agency recognizes its responsibility to be a good steward of the fee setting authority granted by Congress, as well as its duty to its stakeholders. After considering the many public comments, the agency has removed or adjusted several fees proposed in the NPRM. These changes include removal of the AFCP 2.0, terminal disclaimer, patent term adjustment, and third and subsequent RCE proposals and the adjustment of the patent term extension and continuing applications proposals. The USPTO is committed to improving the fee schedule design to generate sufficient financial resources for effective

administration of the U.S. IP system while also remaining responsive to stakeholder feedback. The agency takes its responsibility to stakeholders seriously and appreciates the rigorous and open review process involved in adjusting fee rates.

*Comment 10:* One commenter stated that fees need to be set in such a way that patent applicants and holders do not overpay or underpay.

*Response:* With the exception of small and micro entity discounts, the agency is legally obligated to charge the same fees for applicants. As explained in this final rule, the revised fees strike the right balance between maintaining low barriers to entry to the patent system and providing sufficient financial resources to recover the aggregate costs of patent operations and support the goals described in the Strategic Plan.

*Comment 11:* One commenter stated the USPTO was effectively proposing a one-size-fits-all fee structure in the NPRM. The commenter believed the proposed fee structure would deny options to applicants by imposing cost-prohibitive fees.

*Response:* The USPTO is not adopting a one-size-fits-all fee structure. The fees in this final rule are intended to encourage efficient operations and filing options, but they do not eliminate other prosecution pathways. The USPTO agrees with the commenter that applicants may have diverse patenting needs and strategies. However, the current fee structure includes fees for many less-widely used services below unit cost, meaning their costs are subsidized by applicants who do not take advantage of the service. The fee structure in this final rule will help redistribute some of those costs to applicants who are directly requesting these services.

The agency realizes that fee increases will affect applicants. At the same time, the USPTO's costs for processing, activities, services, and materials relating to patents, including administrative costs with respect to such patent fees, have increased. The agency set many of the targeted fee adjustments in this final rule to recover more costs directly from the users of services that increase the agency's costs of processing and examination. Setting fees lower than prescribed in this final rule would require that the USPTO offset shortfalls by raising other fees, reducing spending on core mission and strategic priorities, and/or depleting the operating reserves, thereby significantly increasing agency financial risk. Additionally, the USPTO has continued its longstanding policy of charging patent applicants and holders lower

filing, search, and examination (front-end) fees and higher issue and maintenance (back-end) fees, when an invention's relative value is better known.

In addition, the USPTO provides several programs to support independent inventors and small businesses. See the response to comment 5 for resources regarding free or reduced fee programs to assist these entities in securing patent protection for their inventions. The USPTO also offers reduced fee rates for many fees to small and micro entities. An applicant who meets micro entity requirements is eligible for an 80% reduction in most fees, and small entity status offers a 60% fee reduction. Many of the small and micro entity fees adjusted in this final rule will continue to be lower than the fee rates that were in place prior to passage of the UAIA, which increased the percentages of these discounts.

*Comment 12:* Commenters stated the proposal escalates fees at critical aspects of the patent process and for actions that many patent owners take to clarify rights or simplify litigation. The commenters cautioned against raising fees for common actions for valuable patents, which might disproportionately impact the most innovative companies, small businesses, and independent inventors who rely on patent protection in response to theft by efficient infringers.

*Response:* As a fee-funded agency, the law requires the USPTO to recover its aggregate costs for the services it provides. The agency set many of the targeted fee adjustments in this final rule to recover more costs directly from the users of services that increase the costs of processing and examination. Setting fees lower than prescribed in this final rule would require that the USPTO offset shortfalls by raising other fees, reducing spending on core mission and strategic priorities, and/or depleting the operating reserves, thereby significantly increasing agency financial risk. Also, the USPTO has continued its longstanding policy of charging patent applicants and holders lower filing, search, and examination (front-end) fees and higher issue and maintenance (back-end) fees when an invention's relative value is better known. For small businesses and independent inventors, applicants who meet the micro entity requirements are eligible for an 80% reduction on most fees, and applicants with small entity status receive a 60% fee reduction. The USPTO notes that many of the small and micro entity fees adjusted in this final rule will continue to be lower than the fee rates that were in place prior to passage of the UAIA,

which increased the size of these discounts.

*Comment 13:* One commenter stated that patent fees should reflect the actual costs incurred by the USPTO rather than be used as a tool to incentivize specific behaviors. The commenter stated that this strategy could result in unintended consequences.

*Response:* Section 10(a) of the AIA grants the USPTO broad authority to set or adjust patent fees to generate the aggregate revenue required to recover the aggregate estimated costs of operations. As part of the Final Regulatory Flexibility Analysis (FRFA), the agency considered a unit cost recovery alternative that set most individual undiscounted fees at the historical cost of performing the activities related to that particular service in FY 2022. The USPTO ultimately opted against this alternative because it would reverse the agency's longstanding policy of setting front-end fees below cost and charging higher back-end fees when a patent holder has more information about a patent's value. The results of the FRFA are discussed further in Part VIII(b): Regulatory Flexibility Act of this final rule.

*Comment 14:* One commenter stated that the proposed fee rule does not appear to project that increased fees will result in any performance improvements. The commenter requests that the USPTO share information on how it will use the increased fees to address unexamined inventory and pendency rates.

*Response:* The fees included in this final rule will provide the agency with sufficient financial resources to facilitate the effective administration of the U.S. patent system, including implementing the Strategic Plan. The RIA associated with this rule uses the same production models for all alternatives simply for comparison. Aggregate revenue resulting from the current fee schedule, in absence of implementation of this rule, would require the USPTO to reduce planned spending, which would impede the agency's ability to achieve these performance levels (*i.e.*, pendency could increase) and other strategic priorities. The Strategic Plan, available on the agency website at <https://www.uspto.gov/StrategicPlan>, includes a description of several initiatives that will address quality, unexamined inventory, and pendency. Additionally, Part IV(C): Efficient Delivery of Reliable IP Rights: Quality, Unexamined Inventory, and Pendency of this rule includes discussion of some of these initiatives. To effect necessary changes in the examination process and ensure

the timely issuance of reliable patents, the USPTO must plan for potential increases in core operating costs for future years. The USPTO lays out spending plans in each year's congressional budget justification, available at <https://www.uspto.gov/about-us/performance-and-planning/budget-and-financial-information>. These strategic investments will enable the USPTO to identify and continue implementing improvements, guidelines, and best practices to serve the patent system, including reducing pendency in the future.

*Comment 15:* One commenter stated the proposed fee structure could result in decreased revenue. The commenter requested that the USPTO share any financial impact analysis of the proposed fee structure's net expected effect.

*Response:* The USPTO carefully considered the fee schedule in this final rule. As part of the fee setting process, the agency conducted both a regulatory flexibility analysis (IRFA for the NPRM and FRFA for this final rule) and RIA. These analyses relied in part on the results of an existing elasticity analysis (*i.e.*, an assessment of the degree to which changes in fee rates may affect demand for services), which found that patent fees are relatively inelastic and, therefore, fee increases will not reduce patenting activity enough to negatively impact overall revenue. The results of the FRFA are discussed in Part VIII(B): Regulatory Flexibility Act of this rule. The RIA and Description of Elasticity Estimates can be found at <https://www.uspto.gov/FeeSettingAndAdjusting>.

*Comment 16:* One commenter stated that the proposed fee structure is inconsistent with the goals and traditions of the U.S. patent system, as the fees will increase the financial hurdle to gain entry into the patent system.

*Response:* As discussed in Part I: Executive Summary of this final rule, the individual fee adjustments included in this final rule align with the USPTO's strategic goals and its fee structure philosophy, including the agency's four key fee setting policy factors: (1) promote innovation strategies, (2) align fees with the full costs of products and services, (3) facilitate effective administration of the U.S. patent system, and (4) offer application processing options. The fee adjustments will enable the USPTO to accomplish its mission of driving U.S. innovation, inclusive capitalism, and global competitiveness. While many fees will increase, the USPTO has long promoted a fee structure that fosters innovation by

reducing barriers to entry into the patent system through lower front-end fees (set below cost) and higher back-end fees. Under the fee structure in the final rule, front-end fees will remain below cost to continue facilitating entry into the patent system and, in so doing, encourage the disclosure of information on new inventions and ideas to the public. For small businesses and independent inventors, applicants who meet the micro entity requirements are eligible for an 80% reduction on most fees, and applicants with small entity status receive a 60% fee reduction. The USPTO notes that many of the small and micro entity fees adjusted in this final rule will continue to be lower than the fee rates that were in place prior to passage of the UAIA, which increased the size of these discounts. The agency carefully considered many factors discussed in this final rule and determined that the fee increases are adequate to generate the aggregate revenue required to recover examination costs while continuing to foster innovation.

*Comment 17:* One commenter expressed their support of the USPTO's use of cost-cutting measures to limit the need for increasing or creating new fees but expressed concern regarding the flatlining of IT budgets, which they stated might be short-sighted.

*Response:* As outlined in the FY 2025 Budget, the agency will achieve this cost containment goal via modern equipment in a new data center that will cost less to maintain. In addition, by retiring legacy systems, the agency will reduce the required number of maintenance teams, reduce hardware and software costs, reduce storage and licensing costs, improve technical debt and patching efficiency, and improve cybersecurity. With respect to the impact these cost-cutting measures will have on operations, the USPTO remains committed to sustaining its planned levels of functionality and performance, and compliance with Federal laws, regulations, and directives. The agency's FY 2025 Budget is available on the USPTO website at <https://www.uspto.gov/about-us/performance-and-planning/budget-and-financial-information>.

*Comment 18:* One commenter stated that patent quality is a matter for the courts and issues could be resolved by awarding legal costs to prevailing parties in all but exceptional cases.

*Response:* Providing high-quality, efficient examination of patent applications is paramount to the USPTO's mission. With respect to shifting cost burdens in legal

proceedings, such changes are beyond the scope of this rulemaking.

#### *Across-the-Board Adjustment to Patent Fees*

*Comment 19:* One commenter recognized the need for the USPTO to increase some patent fees and stated the across-the-board adjustment is reasonable.

*Response:* The USPTO appreciates the commenter's feedback. The across-the-board adjustment outlined in this final rule will help keep the USPTO on a stable financial track sufficient to recover the aggregate costs of patent operations and support the agency's strategic objectives.

*Comment 20:* One commenter expressed disagreement with including the DOCX surcharge in the across-the-board adjustment since the agency implemented the fee less than a year ago.

*Response:* The USPTO is adjusting the DOCX surcharge as part of the across-the-board adjustment to help keep pace with inflationary cost increases. Although the DOCX surcharge was instituted recently, the agency is required by law to finance operations in the aggregate by recovering fees for its services. Setting fees lower than prescribed in this final rule would require that the USPTO offset shortfalls by raising other fees, reducing spending on core mission and strategic priorities, and/or depleting the operating reserves, thereby significantly increasing agency financial risk.

#### *Front-End Adjustment to Patent Fees*

*Comment 21:* One commenter stated that the current relationship between front-end and back-end fees should be maintained and noted that PPAC objected to adding or increasing up-front processing fees.

*Response:* To encourage innovation, the USPTO will continue to set front-end fees below its costs of providing these services. Further, while the USPTO increased the across-the-board adjustment in this final rule to ensure aggregate cost recovery in light of reductions to other proposals, it lowered the front-end increase relative to the across-the-board adjustment from 5% to 2.5%, keeping the total front-end increase at 10%. Therefore, the fees set in this final rule will have a smaller impact on the balance between front-end and back-end fees compared to the NPRM proposal while still allowing the USPTO to marginally recover some costs earlier in the patent life cycle.

*Comment 22:* One commenter expressed support for the USPTO recovering more of its costs through

front-end fees and encouraged the USPTO to consider an even larger shift towards cost recovery on the front-end.

*Response:* The USPTO appreciates the commenter's support. While this final rule slightly increases filing, search, and examination fees, the agency remains committed to promoting a fee structure that fosters innovation by maintaining low barriers to entry into the patent system. Lower front-end fees facilitate entry into the patent system and, in so doing, encourage the disclosure of information on new inventions and ideas to the public. Higher back-end fees not only help the agency recoup costs incurred at the front end of the process but also foster innovation by encouraging patent holders to assess the costs and benefits of maintaining their patent at various points over its 20-year term (*i.e.*, 3.5 years, 7.5 years, and 11.5 years) when maintenance fees are due. This strategy helps ensure that low-value patents are released back into the public domain for subsequent commercialization. The USPTO carefully considered many factors discussed in this final rule in determining that the increases to filing, search, and examination fees are adequate to generate the aggregate revenue needed to recover examination costs and continue fostering innovation.

*Comment 23:* One commenter suggested that undiscounted fees be decoupled from fees for small and micro entities to allow for further fee increases for large users.

*Response:* The agency does not have the legal authority to set fees for small and micro entities separately from undiscounted fees. The authority to reduce fees for small and micro entities under the USPTO's rulemaking authority is limited by the AIA as amended by the UAIA. These statutes prescribe that the USPTO must provide small and micro entity discounts based on a set percentage of the undiscounted fee rate. Further, these discounts apply

to only the six fee categories under section 10(b) of the AIA. Helping small businesses and independent inventors is an important part of the USPTO's mission of driving U.S. innovation, inclusive capitalism, and global competitiveness. See the response to comment 5 for resources regarding free or reduced fee programs that assist these entities in securing patent protection for their inventions.

#### *Targeted Fee Adjustments*

##### *After Final Consideration Pilot Program 2.0 Fee*

*Comment 24:* Commenters expressed concerns about the AFCP 2.0 pilot program and the proposed participation fee. Commenters stated that the program's primary benefit is the opportunity to hold an interview with the examiner after the close of prosecution.

*Response:* The agency considered public feedback on AFCP 2.0 and the proposed fee and opted to allow the program to expire on December 14, 2024. As a reminder, under customary examination practice, after the close of prosecution, amendments that will place the application either in condition for allowance or in better form for appeal may be entered, and the applicant may also hold an interview with the examiner. See § 1.116(b) and section 714.12 of Manual of Patent Examining Procedure (MPEP) (9th ed., Rev. 01.2024, November 2024), which may be viewed on or downloaded from the USPTO website at <https://www.uspto.gov/MPEP> or <https://mpep.uspto.gov>. Thus, even without the program, applicants still have the opportunity to hold interviews with examiners after the close of prosecution.

##### *Continuing Application Fees*

*Comment 25:* One commenter stated that the meaning of the term "earliest benefit date" or "EBD" as used in the NPRM was not clear, particularly with

regard to whether or how it differs from the "effective filing date" language in 35 U.S.C. 102. The commenter suggested that established statutory language be used instead of the "earliest benefit date" or "EBD."

*Response:* EBD is not a synonym for "effective filing date." The USPTO has added additional examples and explanations in this final rule to further clarify the meaning of EBD.

"Effective filing date" is a term defined in the statute and can refer to a priority date or a benefit date. The USPTO determines the effective filing date on a claim-by-claim basis. As set forth in 35 U.S.C. 100(i)(1), for a patent application, the effective filing date for a claimed invention is either (A) the actual filing date of the application containing a claim to the invention or (B) the filing date of the earliest application for which the application is "entitled, as to such invention, to a right of priority under [35 U.S.C.] section 119, 365(a), 365(b), 386(a), or 386(b) or to the benefit of an earlier filing date under section 120, 121, 365(c), or 386(c)." See MPEP 2152.01 for more information about the effective filing date.

The EBD is a term used in this rulemaking (the NPRM and this final rule) to refer to the earliest filing date for which benefit is claimed under 35 U.S.C. 120, 121, 365(c), or 386(c), and § 1.78(d). The EBD is determined on an application-by-application basis. The EBD cannot be the filing date of a foreign application or the filing date of a provisional application to which benefit is claimed under 35 U.S.C. 119(e).

In short, the effective filing date can be a priority date or a benefit date, and different claims in the same application can have different effective filing dates. The EBD, however, can only be a benefit date, and there is only one EBD per application. The difference is explained further in table 17.

Table 17: Comparison of Effective Filing Date and Earliest Benefit Date

	<b>Effective filing date</b>	<b>Earliest benefit date (EBD)</b>
Origin of term	35 U.S.C. 100(i)(1); used throughout patent statutes	This rulemaking, for purposes of explaining the application of § 1.17(w)
How determined	Claim-by-claim basis; different claims in the same application can have different effective filing dates	Application-by-application basis; there is only one EBD per application
Priority dates included	Filing date of the earliest application for which the application is “entitled, as to such invention, to a right of priority under [35 U.S.C.] section 119, 365(a), 365(b), 386(a), or 386(b)” and § 1.55	None
Benefit dates included	Filing date of the earliest application for which the application is “entitled, as to such invention, ... to the benefit of an earlier filing date under [35 U.S.C.] section 120, 121, 365(c), or 386(c)” and § 1.78(d)	Filing date of the earliest application for which benefit is claimed under 35 U.S.C. 120, 121, 365(c), or 386(c), and § 1.78(d)

With respect to using statutory language, when the later-filed application is a utility or plant patent application, the EBD is also the date from which the 20-year patent term is calculated under 35 U.S.C. 154(a)(2), and thus for a utility or plant application the EBD is synonymous with the “patent term filing date.” See MPEP 804, subsection I.B.1(a) for more information about the patent term filing date. There is no preexisting statutory language to use for design applications, as the term of design patents is calculated differently than for utility and plant patents. See MPEP 2701 for more information about patent term.

*Comment 26:* One commenter questioned whether continuing application fees would actually be technology neutral since the USPTO stated in the NPRM that TC 3700 “receives a much higher proportion of late-filed continuing application than other areas.”

*Response:* The fee will be assessed for all continuing applications in all technologies. Although TC 3700 has a higher proportion of continuing applications that would be subject to the new fee(s) as compared to other TCs, there is diverse subject matter examined within this TC, encompassing many

technologies. For example, TC 3700 examines applications directed to mechanical engineering, machine and hand tools, manufacturing (all disciplines), gaming, amusement and educational devices (electrical and mechanical), combustion technology, fluid handling, refrigeration, medical and surgical instruments and processes, diagnostic equipment, and medical treatment devices. Therefore, its relative excess of late-filed continuations does not cause a significant difference when combined with data from the entire corps, and technology sectors are considered as a whole.

*Comment 27:* Commenters expressed concern about perceived unfairness of the continuing application fees for those applications that claim priority to foreign applications.

*Response:* As noted above in the response to comment 25, foreign priority dates are not included in the determination of an EBD. The EBD is limited to the earliest filing date for which benefit is claimed under 35 U.S.C. 120, 121, 365(c), or 386(c), and § 1.78(d). Thus, an application that claims a right of priority to a foreign application will not incur any fees set forth in § 1.17(w) based on that priority claim.

*Comment 28:* Commenters suggested that the continuing application fees will disproportionately affect national stage applications, discourage use of the Patent Cooperation Treaty (PCT) system, or prevent applicants from considering the merits of a bypass continuation application claiming benefit of a PCT application until after the applicable timing thresholds for the fees have passed.

*Response:* Applicants are free to choose whatever route they believe is more advantageous for obtaining patent protection in the United States, whether through the PCT or through a direct national filing under 35 U.S.C. 111(a). National stage applications filed under 35 U.S.C. 371 are unlikely to be affected by the continuing application fees because PCT time limits are much shorter than the timing thresholds that prompt the continuing application fees, and very few national stage applications contain benefit claims that could prompt the fees.

Consider the following illustrative example. An international application designating the U.S. is filed under the PCT on May 5, 2026. The international application claims priority to a single foreign patent application that was filed in the Canadian Intellectual Property

Office on June 6, 2025. This international application has an international filing date of May 5, 2026, and a priority date of June 6, 2025 (the “priority date” for an international application is defined in PCT Article 2(xi)).

The PCT time limit to commence the U.S. national stage is 30 months (2.5 years) from the priority date. Assume the exemplary application commences the U.S. national stage on the last possible day, which is December 6, 2027 (the day that is 30 months from the June 6, 2025, priority date). See MPEP 1893.01 for more information about national stage commencement time limits. When the U.S. national stage is commenced, the USPTO will determine the EBD of the national stage application to evaluate whether any continuing application fees are due. As explained in the response to comment 25, foreign priority dates are not included in the determination of an EBD, and thus the filing date of the Canadian patent application is not the EBD. Instead, the exemplary national stage application would have an EBD that is the same as its international filing date, *i.e.*, May 5, 2026. Because the EBD is the same as the actual filing date (the international filing date), no continuing application fees would be due upon national stage commencement of this application.

Even if the international application had also included a benefit claim to an earlier-filed U.S. application, it is very unlikely that the national stage application would be affected by the continuing application fees. USPTO data from FY 2020 through FY 2023 indicates that very few (less than 1%) U.S. national stage applications include a benefit claim to an earlier-filed application such that their EBD would be earlier than the international filing date, let alone an EBD that is more than six years prior to the international filing date as would be required to incur the continuing application fee. Given that the primary purpose of filing an international application is usually to pursue international patent protection, this data is not surprising.

Similarly, a so-called bypass continuing application of an international application is unlikely to be affected by the continuing application fees for any benefit claim to the international application or any benefit or priority claim made through the PCT system (*e.g.*, where the international application serves as an intermediate application to establish copendency between the bypass application and an earlier-filed application). See MPEP 1895 *et seq.* for

more information about bypass applications. Even if such an application were affected, the effects would be similar to those for an application where the benefit “chain” did not include an international application.

Consider another illustrative example. On January 8, 2032, an applicant files two applications: an international application designating the U.S.; and application D, which is a U.S. nonprovisional application. Both applications claim priority to a single foreign patent application that was filed in the Instituto Mexicano de la Propiedad Industrial (IMPI) on January 10, 2031, and also claim benefit as a continuation of U.S. nonprovisional applications A, B, and C under 35 U.S.C. 120, with the earliest-filed application being A, which was filed on July 11, 2025. The international application would not incur any fees under § 1.17(w) unless and until it commences the U.S. national stage. Application D will incur the § 1.17(w)(1) fee because its actual filing date (January 8, 2032) is more than six years after its EBD (A’s filing date of July 11, 2025).

On July 7, 2033, 30 months after the priority date (the filing date of the Mexican patent application), the applicant commences the U.S. national stage of the international application. At this time, the USPTO will determine the EBD of the national stage application to evaluate whether any continuing application fees are due. As previously noted, the foreign priority date is not included, but benefit claims under 35 U.S.C. 120 are included. The earliest benefit date to which the national stage application claims benefit is A’s filing date, and thus the national stage application has an EBD of July 11, 2025. Because the actual filing date of the national stage application (the international filing date of January 8, 2032) is more than six years after its EBD (A’s filing date of July 11, 2025), the § 1.17(w)(1) fee will be due upon national stage commencement of this application.

The applicant files two additional applications on July 7, 2033. The first is a bypass application that claims benefit of the international application and the earlier-filed applications A, B, C, and D. The second is a nonprovisional application E that claims benefit to A, B, C, and D. Both the bypass application and E will incur the § 1.17(w)(1) fee, because their actual filing date (July 7, 2033) is more than six years after their EBD (A’s filing date of July 11, 2025).

In this example, all three of these latter applications (the national stage

application, the bypass application, and E) are in essentially the same position with respect to being able to evaluate their merits based on the history of the prior applications. Over the last few years, the USPTO’s Traditional Total Pendency (which the USPTO defines as the average number of months from the patent application filing date to the date the application has reached final disposition (*e.g.*, issued as a patent or abandoned)) has ranged between 24 and 26 months. More data on Traditional Total Pendency is available on the USPTO’s Patents pendency data web page at <https://www.uspto.gov/dashboard/patents/pendency.html>.

Thus, assuming a Traditional Total Pendency of 26 months, in this example the applicant easily could have completed the prosecution of their earlier-filed applications A, B, and C by July 2033 and would also have progressed with the prosecution of application D. The applicant would thus have the benefit of reviewing the patentability issues that arose during prosecution of A, B, C, and D before filing the applications in July 2033 that would incur the continuing application fees.

In addition, applicants using the PCT system can consider the international search report (ISR) and the optional international preliminary examination report (IPER) during the international stage before filing either a national stage or a bypass application.

While there may be outlier situations, this discussion illustrates that the commenters’ concerns about disproportionate effects on national stage applications and being unable to consider the merits of a bypass application until after the due date for the continuing application fees are largely unfounded.

*Comment 29:* One commenter stated that the continuing application fees limit applicants’ rights to file continuing applications under 35 U.S.C. 120 and thus are punitive in nature.

*Response:* The continuing application fees do not prevent applicants from filing as many continuing applications as they want at any time during the pendency of the parent application, nor are they punitive in nature. Instead, they are designed to recover more of the costs of examining continuing applications where maintenance fees on the issued patent are unlikely to be paid as a result of insufficient term.

This final rule does not impose a fee under § 1.17(w) for continuing applications filed within six years of their EBD. About 80.3% of continuing applications are filed within six years of their EBD and thus will not incur the

fees. Only continuing applications filed more than six years after their EBD (about 19.7% of continuing applications or about 6.5% of all applications) will incur a continuing application fee based on today's filing patterns.

As explained in the response to comment 33, the continuing application fees reduce, but do not eliminate, the existing subsidy of front-end fees (*i.e.*, filing, search, and examination fees) that patent applicants are currently receiving. As explained in Part V. Individual Fee Rationale of this rule, the agency maintains a low barrier to entry into the patent system by setting front-end fees below the unit cost of the corresponding front-end services (*i.e.*, preexamination, search, and examination). The difference between front-end fees and front-end unit costs are subsidized by other fees (*e.g.*, maintenance fees) that are set above their unit cost.

As of FY 2023, this front-end subsidy amounted to \$4,345 for an undiscounted entity. The subsidy was substantially higher for applicants paying discounted fee rates because their front-end fees are discounted 60% or more as compared to undiscounted rates while the unit costs of the corresponding services remain the same. For undiscounted entities, based on FY 2023 unit costs, the final rule's increase of the front-end fee rates will reduce the subsidy to \$4,165 for applications that are not subject to continuing application fees, \$1,465 for continuing applications subject to the \$2,700 fee under § 1.17(w)(1), and \$165 for continuing applications subject to the \$4,000 fee under § 1.17(w)(2) fee. Thus, applications subject to continuing application fees will still receive a subsidy on their front-end fees, albeit lower than that given to non-continuing applications and continuing applications filed six or fewer years after their EBD. In addition to this subsidy of front-end fees, those applicants who are resource-constrained likely will also qualify for entity discounts, which afford a 60% (for small entity status) or 80% (for micro entity status) discount on most patent fees, further reducing the financial burden on such applicants.

*Comment 30:* Commenters expressed their support for the proposed fees for continuing applications. One commenter noted that continuations are more likely to be litigated, and the fees will allow for comprehensive review of these applications. Other commenters stated that the continuing application fees were inappropriate, asserting that the USPTO's costs of examining continuing applications are lower than

the cost of examining non-continuing applications.

*Response:* The agency's costs for examining continuing applications are not necessarily lower than the costs of examining non-continuing applications. Examiners are provided the same amount of time to examine a continuing application as a non-continuing application; equal time equates to equal cost to the agency. Certain continuing applications, particularly divisional and continuation-in-part applications, may present different claimed inventions or more complex issues than a non-continuing application. For example, as an applicant grows their application family by filing additional continuing applications over time, the determinations of which claims in the child application are supported under 35 U.S.C. 112(a) by which parent applications may be more complex, and double patenting concerns may be more frequent and time-consuming to analyze. Moreover, as explained in the response to comment 29, even those applicants paying the continuing application fees are the beneficiaries of subsidized front-end fees that are set below front-end costs.

*Comment 31:* Commenters expressed concerns about the timing thresholds for the continuing application fees, asserting there are substantial delays at the USPTO preventing applicants from being able to determine the scope of their first application's claims before filing a continuing application subject to the fees. Thus, the commenters stated they would be unable to file a continuing application without having to pay the continuing application fees. The commenters pointed to the USPTO's Patents Dashboard for patent pendency data in support of their comments. One commenter asserted that average pendency was about 2.5 years for non-continuing applications and five to six years for continuation and divisional applications.

*Response:* The continuing application fees do not prevent applicants from filing as many continuing applications as they want at any time during the pendency of the parent application. See MPEP 211.01(b), which explains the copendency requirement for claiming the benefit of a nonprovisional application under 35 U.S.C. 120, 121, 365(c) or 386(c). Applicants are not required to wait until their first application has been examined or allowed before filing a continuing application. Many applicants choose not to wait, as evidenced by the fact that about 38% of continuing applications are filed within two years of their EBD.

Regarding concerns about timeliness of application examination, the commenter setting forth the 2.5 and 5–6 year time periods appears to have misunderstood the data provided on the Patents Dashboard, available on the USPTO website at <https://www.uspto.gov/dashboard/patents/>. The dashboard reports data on Patents operations on an ongoing basis. Several different pendency metrics are reported and defined on the USPTO's Patents pendency data web page, <https://www.uspto.gov/dashboard/patents/pendency.html>, including a metric called "Traditional Total Pendency" and two other metrics called "Pendency for Continuation Applications" and "Pendency for Divisional Applications."

As noted in response to comment 28, Traditional Total Pendency is defined as the average number of months from the patent application filing date to the date the application has reached final disposition (*e.g.*, issued as a patent or abandoned) and is inclusive of both continuing and non-continuing applications. As reported on the Patents Dashboard, over the two-year period ending in June 2024, Traditional Total Pendency fluctuated between 24 and 26 months and as of June 2024 was 25.9 months. In other words, the USPTO is reporting an average pendency from actual filing date to final disposition for both continuing and non-continuing applications of 25.9 months. The reported pendency of 25.9 months is several months shorter than the 30 months suggested by the commenter.

In contrast to Traditional Total Pendency, the Pendency for Continuation Applications and Pendency for Divisional Applications metrics reflect the total elapsed time from the filing of the first parent application through any intermediate parent applications to the final disposition of the continuation or divisional application. In other words, these latter two metrics are measuring the elapsed time from the EBD of a continuing application to the final disposition of the continuing application. It is expected that these latter two metrics would have higher results than Traditional Total Pendency because they reflect the pendency of an entire chain of continuing applications, not a single application.

Thus, for an exemplary application Z, which is a continuation of Y, which is a continuation of X, the Traditional Total Pendency would be the time from Z's filing to Z's final disposition, but the Pendency for Continuation Applications would be the time from X's filing to the final disposition of Z. The USPTO stopped reporting the Pendency for

Continuation Applications and Pendency for Divisional Applications metrics on its Patents Dashboard in April 2023. The last reported numbers for these metrics were 61.7 months for continuations and 69.1 months for divisionals, which reflect the elapsed time from the EBDs of the continuations or divisionals until their final dispositions.

Based on the currently reported Traditional Total Pendency of approximately 26 months (as of June 2024, the USPTO's average Traditional Total Pendency was 25.9 months), even if there were delays on either or both the agency's or the applicant's side, applicants typically would still have several years to file continuing applications before the continuing application fees would apply, even if they delay filing of a continuing application until just before the final disposition of its parent. See the discussion of example applications A through F in the response to comment 32.

*Comment 32:* Commenters expressed concerns about the timing thresholds for the continuing application fees, particularly the threshold of five years after the EBD. Commenters stated that five years was insufficient time to benefit from the examination of a parent application, and thus the continuing application fees would negatively impact industries such as medical devices or biotechnology by encouraging applicants to file applications too early in the innovation process. Some commenters also expressed concern that the continuing application fees would stifle innovation by independent inventors, small businesses, or resource-constrained applicants.

*Response:* The USPTO decided to modify the timing thresholds for the continuing application fees so they now apply only to those continuing applications having an actual filing date more than six or nine years after their EBD. These revised thresholds will afford applicants more time to benefit from examination of the parent applications and to file continuing applications without incurring the § 1.17(w) fees before being faced with the decision of whether to file a continuing application that would incur the fees.

This final rule does not impose a fee under § 1.17(w) for continuing applications filed within six years of their EBD. As about 80% of continuing applications are filed within six years of their EBD, the majority of continuing applications will not incur the fees. Moreover, applicants will now have six

full years to consider the examination of the original non-continuing application and any intermediate applications before deciding whether to file a continuing application that would incur the fees.

The USPTO is not aware of data that supports the commenters' concerns about not having sufficient time to benefit from the examination of a parent application before incurring the fees or that certain industries or applicants will be negatively impacted because the fees will encourage them to file continuing applications too early or not at all. As previously noted, about 80% of continuing applications are filed within six years of their EBD, over half of which are filed within three years of their EBD. Thus, the majority of continuing applications, including those filed by independent inventors, small businesses, or resource-constrained applicants, will be unaffected by this rulemaking.

For the approximately 19.7% of continuing applications filed more than six years after their EBD, this final rule is not expected to change applicant behavior to any significant degree. Some applicants may be encouraged to file and prosecute their portfolios more efficiently, perhaps by shifting a continuing application filing a few months earlier to avoid the fees or to reduce the fee amount. Other applicants may choose to present additional claims in earlier applications instead of filing additional continuing applications. As explained in the NPRM, the USPTO is not seeking to change applicant behavior with these fees but instead is motivated by the need to generate sufficient aggregate revenue to cover the aggregate cost of patent operations. The continuing application fees are thus designed to recover more costs related to continuing applications filed long after their EBD from the filers of such applications.

Given that Traditional Total Pendency has ranged between 24 and 26 months over the last few years, typically an applicant can be at the point of filing their third or subsequent continuing application by the time the fees under § 1.17(w) would apply. Consider the following examples, which show how a typical applicant can file and prosecute multiple applications (applications A, B, and C) before being faced with the decision of whether the filing of application D more than six years after its EBD is worth the additional cost of the § 1.17(w)(1) fee. For simplicity's sake, the examples assume a Traditional Total Pendency of 26 months that remains the same throughout the

examples and also assumes that all applications are utility applications.

*Example 1: Applications A, B, and C:* Applicant files non-continuing application A on July 11, 2025. Application A issues 26 months later in September 2027. On September 10, 2027, just prior to A's issuance, applicant files continuing application B, which claims the benefit of A's filing date under 35 U.S.C. 120. B issues 26 months later in November 2029. On November 9, 2029, just prior to B's issuance, applicant files continuing application C, which claims the benefit of A and B's filing dates under 35 U.S.C. 120. C issues 26 months later in January 2032. None of applications A, B, or C will owe a continuing application fee. A is not a continuing application, and B and C have actual filing dates that are less than six years after their EBD of July 11, 2025 (the filing date of A, which is the EBD to which B and C claim benefit under 35 U.S.C. 120).

*Example 2: Applications D and E:* On January 8, 2032, just prior to C's issuance, applicant files continuing application D, which claims the benefit of A, B, and C's filing dates under 35 U.S.C. 120. D issues 26 months later in March 2034. On March 7, 2034, just prior to D's issuance, applicant files continuing application E, which claims the benefit of A, B, C, and D's filing dates under 35 U.S.C. 120. E issues 26 months later in May 2036. Applications D and E will owe the § 1.17(w)(1) fee, because their actual filing dates in January 2032 and May 2034 are more than six years after their EBD of July 11, 2025 (the filing date of A, which is the EBD to which D and E claim benefit under 35 U.S.C. 120).

*Example 3: Application F:* On May 6, 2036, just prior to E's issuance, applicant files continuing application F, which claims the benefit of A, B, C, D, and E's filing dates under 35 U.S.C. 120. F issues 26 months later in July 2038. Application F will owe the § 1.17(w)(2) fee because its actual filing date in May 2036 is more than nine years after its EBD of July 11, 2025 (the filing date of A, which is the earliest benefit date to which F claims benefit under 35 U.S.C. 120).

As these examples illustrate, a typical applicant can file at least two continuations in series without paying the continuing application fees, even if they wait until the last possible moment (e.g., issuance of the parent) before filing each continuing application. In reality, applicants need not wait until the last possible moment and may file multiple continuing applications at any point in time during the pendency of the immediate parent application. Further, when an applicant considers their innovation economically valuable enough to file multiple continuing applications over the course of many years, it is unlikely that they would consider the § 1.17(w) fees as an obstacle to filing the additional applications they consider necessary.

*Comment 33:* Commenters suggested that the timing thresholds for the



continuing application fees were arbitrary or unfair or that the USPTO should exempt certain types of applications (e.g., divisional, continuation-in-part, or design applications) from the continuing application fees.

*Response:* As explained in the NPRM, the continuing application fees will apply to all utility, plant, and design continuing applications, i.e., continuation, divisional, and continuation-in-part applications, which have an actual filing date that is more than a set number of years after their EBD. The continuing application fees are motivated by the need to generate sufficient aggregate revenue to cover the aggregate cost of patent operations and are designed to recover more costs related to continuing applications filed long after their EBD from the filers of such applications.

The patent fee structure is designed to encourage innovation by maintaining low barriers to entry, which the agency accomplishes by keeping the front-end fees (filing, search, and examination fees) below the costs for the corresponding front-end services (preexamination, search, and examination). For example, for a utility application, current front-end fees (\$1,820 for undiscounted entities in FY 2023) are set far below the USPTO's average costs for filing, search, and examination activities (\$6,165 in FY 2023), and the difference is subsidized

by other fee collections, primarily issue fees and maintenance fees. As of FY 2023, for the average application, this subsidy (the difference between the USPTO's costs and what an applicant pays) was \$4,345 for an undiscounted entity, and even higher for those applicants paying discounted fee rates (\$5,501 for a small entity filing electronically, and \$5,801 for a micro entity).

After weighing public feedback and considering the effects on the patent system as a whole, the USPTO has decided to retain this existing subsidy amount and the resultant low barrier to entry for most continuing applications. The USPTO has adjusted the timing thresholds for the continuing application fees, which will now be prompted when the actual filing date of an application is more than six or nine years after its EBD.

The USPTO notes that continuing applications filed long after their EBD have a direct impact on the agency's ability to generate sufficient aggregate revenue. As explained in the NPRM, such applications are less likely to have a patent term long enough for the USPTO to recover the costs of their search and examination from maintenance fees. While not all patentees choose to maintain their patents for their full term, the USPTO's ability to subsidize front-end fees is dependent on a sufficient number of patentees paying all three maintenance

fees so that the aggregate revenue generated by patent fees will cover the aggregate costs of patent operations.

As an example of how continuing applications filed long after their EBD are less likely to have a patent term long enough for the USPTO to recover the costs of their search and examination from maintenance fees, table 18 below shows the patent terms for each member of the exemplary patent family discussed in the response to comment 32. As explained in the prior response, all of these patents have an EBD of July 11, 2025, and a patent term that will expire in July 2045 (20 years after the EBD) assuming no patent term adjustments, patent term extensions, or terminal disclaimers apply. Due dates are expressed in months and years only and reflect the statutory due dates set forth in 35 U.S.C. 41(b). See MPEP 2506 for more information about maintenance fee due dates. As shown in table 18 below, applications D and E (which will incur the § 1.17(w)(1) fee for the reasons explained in the prior response) will not have a term long enough to require payment of the third maintenance fee to avoid expiration prior to the maximum statutory term, and application F (which will incur the § 1.17(w)(2) fee for the reasons explained in the prior response) will not have a term long enough to require payment of the second or third maintenance fee to avoid expiration prior to the maximum statutory term.

Table 18: Due Date for Exemplary Applications

<b>Application</b>	<b>§ 1.17(w) fee due</b>	<b>Issue date</b>	<b>First maintenance fee due date</b>	<b>Second maintenance fee due date</b>	<b>Third maintenance fee due date</b>
A	None	September 2027	March 2031	March 2035	March 2039
B	None	November 2029	May 2033	May 2037	May 2041
C	None	January 2032	July 2035	July 2039	July 2043
D	§ 1.17(w)(1) fee	March 2034	September 2037	September 2041	n/a; patent expired
E	§ 1.17(w)(1) fee	May 2036	November 2039	November 2043	n/a; patent expired
F	§ 1.17(w)(2) fee	July 2038	January 2042	n/a; patent expired	n/a; patent expired

As noted previously, the § 1.17(w) fees are designed so that continuing applications filed six or fewer years after their EBD will continue to receive a front-end fee subsidy that is equal to that received by non-continuing applications. Thus, low barriers to entry into the patent system are preserved for non-continuing applications and for approximately 80% of continuing applications. For those continuing applications filed more than six years after their EBD, the § 1.17(w) fee will essentially reduce the amount of the front-end fee subsidy, in recognition that such applications are less likely to have a patent term long enough for the USPTO to recover the costs of their search and examination from maintenance fees. The § 1.17(w) fees are set at a rate that is both less than the front-end fee subsidy and substantially less than the third maintenance fee amount. For example, under the undiscounted fee rates as adjusted by this final rule, exemplary application D would pay the undiscounted § 1.17(w)(1) fee of \$2,700, and application F would pay the undiscounted § 1.17(w)(2) fee of \$4,000, as compared to a front-end subsidy of approximately \$4,165 (with front-end fees of \$2,000 and combined FY 2023 unit costs of \$6,165 for filing, search, and examination activities) and an undiscounted third maintenance fee of \$8,280. If these applications paid discounted fees, the difference would be even greater, e.g., if application D paid small entity fees, the § 1.17(w)(1) fee would be \$1,080, as compared to a front-end subsidy of approximately \$5,435 and a third maintenance fee of \$3,312.

*Comment 34:* Commenters expressed concern that the continuing application fees, particularly the higher fee proposed for applications filed more than eight years after the EBD, may encourage applicants to shift from filing continuing applications to filing appeals. They asserted that this shift could potentially overwhelm the appeal system or incur significant delays.

*Response:* The USPTO modified the timing thresholds for the continuing application fees so they now will apply only to those continuing applications having an actual filing date more than six or nine years after their EBD. These revised thresholds will afford applicants more time to benefit from the examination of the parent applications and file continuing applications without incurring the § 1.17(w) fees before being faced with the decision of whether to file a continuing application that would incur the fees.

The USPTO disagrees that the continuing application fees will result in the appeal system being overwhelmed or significantly delayed. If an applicant feels that an examiner has unjustly rejected their claim(s) and the differences in opinion can be justly resolved only upon appeal, then appealing may be the better choice for applicant and the overall patent system as compared to refiling the rejected claims in a continuing application. See MPEP 1201 *et seq.* for a discussion of appeal practice. As noted in the NPRM, continuations make up the majority of continuing applications, and about 80% of continuations have a patented parent, which is indicative that applicants are both obtaining allowable subject matter in a parent application and also filing continuing applications.

*Comment 35:* Commenters asserted that the USPTO did not consider increases to the maintenance fees instead of introducing the continuing application fees.

*Response:* As explained in the NPRM, the agency considered such an option. See, e.g., fee alternative 3 discussed in the NPRM at Part VII(B): Regulatory Flexibility Act. The USPTO decided not to pursue that alternative, choosing instead to increase maintenance fees in addition to introducing the continuing application fees. In particular, each maintenance fee amount is being increased about 7% to 8%; for instance, the undiscounted third maintenance fee is increasing from \$7,700 to \$8,280. The combined effect of the increased maintenance fees and the continuing application fees will help provide sufficient aggregate revenue to cover the aggregate costs of patent operations, while also enabling the agency to keep front-end fees below unit cost for all applications. If the USPTO did not charge the continuing application fees, it would need to raise other fees (particularly the issue and maintenance fees) even higher to offset costs and to generate sufficient aggregate revenue to cover the aggregate costs of patent operations, which would burden all applicants, not just those filing continuing applications long after their EBD.

#### *Design Application Fees*

*Comment 36:* Commenters expressed concern about the increased fees for design applications and questioned the cost rationale for the increases. Several commenters asserted that the fee increases will discourage applicants (particularly independent inventors, small businesses, or resource-constrained applicants) from filing design applications. One commenter

stated that the fee increases are punitive because design examination is less complicated than utility examination, and one commenter stated that the fees should not be increased until design pendency is lowered.

*Response:* In setting the fee rates, the USPTO's goal is not to dissuade design applications but to more closely align the fee rates with the costs of examining and issuing these applications and to support the hiring of additional design examiners to meet the agency's pendency goals.

While examination of design applications is less costly than examination of utility applications, the agency still incurs significant costs to provide design services. In FY 2023, the cost for preexamination, search, examination, and issuance activities, was \$2,252 per design application, not including continued prosecution applications (CPAs), which have a higher cost of \$2,947. The FY 2023 fees for an undiscounted applicant (\$1,760 in combined filing, search, examination, and issue fees) were far below these costs. Further, because the majority of design applications qualify for discounted fees (in FY 2023, 26% of applicants paid the micro entity fee amount, 37% paid the small entity fee amount, and only 37% paid the undiscounted fee amount), the design fee collections in the same year averaged only \$1,013 per application. This imbalance resulted in a shortfall of \$1,239 per application, representing 55% of the cost, and design examination was subsidized by other fee collections, primarily utility maintenance fees.

Historically, this difference between design fees and design costs did not result in a significant subsidy because the design fees were much higher relative to their costs, the annual volume of design applications was much lower than the annual volume of issued utility patents, and a greater proportion of design applicants were paying undiscounted fees. For example, in FY 2013, the subsidy was only 14%, because design costs were \$1,446, the undiscounted design fees were \$1,780, and about half of design applications were filed by undiscounted entities, resulting in an average shortfall/subsidy of about \$200. Since that time, design costs have increased significantly, and design fees decreased sharply in 2014 and have only recently come back to 2013 levels (undiscounted design fees were only \$1,320 in FY 2014, \$1,660 in FY 2018, and \$1,760 in FY 2023). Meanwhile, the number of design applications has surged 50%, virtually all from discounted entities. Notably, the total undiscounted design fees in FY

2023 were \$20 less than in 2013 before adjusting for inflation and 27% less when adjusted for inflation as of June 2024. See CPI Inflation Calculator, U.S. Bureau of Labor Statistics, [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) (comparing March 2013 to June 2024 to calculate buying power).

With the fee increases, design fees for an undiscounted applicant (\$2,600 in combined filing, search, examination, and issue fees) are now in between the cost of new design applications and CPA design applications, while the fees for discounted entities (\$1,040 for a small entity, and \$520 for a micro entity) remain far below cost. The increased fees should reduce the subsidy amount by about a third if all other variables remain the same. For example, if the application filing volume, entity spread, and cost remain the same as in FY 2023, the increased fees would result in design fee collections averaging \$1,462 per application, thus reducing the shortfall to about \$790 per application, which is about 35% of the cost. This expected decrease in the shortfall amount will reduce the subsidy from \$1,239 to \$790, which is a 36% decrease.

The USPTO is conscious that fee increases affect resource-constrained applicants, and the agency will continue to offer the 60% discount for small entities and the 80% discount for micro entities, which reduces the impact of the fee increases on these entities. When these discounts are taken into account, the total fees paid by discounted entities through issuance of a design application under this final rule represent less than half of the USPTO's FY 2023 cost per design application, including preexamination, search, examination, and issuance activities (small entities pay 46% of new design application costs and 35% of CPA costs, and micro entities pay 23% of new design application costs and 18% of CPA costs).

The design fees maintain a low barrier to entry into the patent system while bringing in increased revenue to recover more design costs from design applicants. The USPTO has accomplished these goals by balancing relatively low front-end fees against the higher design issue fee and the reduced, but still large, subsidy from utility maintenance fees. While the front-end fees are set below cost, both the design issue fee and the utility maintenance fees are set above their unit cost. As a result of this balancing, the USPTO has managed to keep the front-end fees only \$5 to \$10 higher than they were set in 2020 for design applicants qualifying for small or micro entity discounts. When

the issue fee is included, the total fees paid by discounted entities are 13% more than inflation-adjusted 2013 fees would be. See CPI Inflation Calculator, U.S. Bureau of Labor Statistics, [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) (comparing March 2013 to June 2024 to calculate buying power).

*Comment 37:* Commenters questioned why the design issue fee increase was greater than for other design fees, particularly in view of the switch to electronic patent issuance.

*Response:* In FY 2023, the front-end costs (*i.e.*, costs for the preexamination, search, and examination) of a design application were \$1,713 for a new design application and \$2,408 for a CPA, but the front-end fees were only \$1,300 for an undiscounted entity, \$520 for a small entity, and \$260 for a micro entity. In order to recover these costs plus the additional cost of issuance while also recovering a greater percentage of design costs from design applicants, the issue fee is set above its cost for undiscounted entities. Thus, while the design issue cost is \$539, the design issue fees are \$1,300 for an undiscounted entity, \$520 for a small entity, and \$260 for a micro entity. As of June 2024, the undiscounted issue fee of \$1,300 is 6% lower than the inflation-adjusted 2013 issue fee would be. See CPI Inflation Calculator, U.S. Bureau of Labor Statistics, [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) (comparing March 2013 to June 2024, to calculate buying power). As explained in other responses, these fees maintain a lower barrier to entry into the patent system while also increasing design fee collections and reducing the subsidy required for the average design application. Moreover, despite the switch to electronic patent issuance in April 2023 the unit cost for issuing a patent decreased only slightly from \$574 in FY 2022 to \$539 in FY 2023.

*Comment 38:* Commenters suggested that the USPTO should increase utility maintenance fees to pay for design costs or should seek legislative solutions such as maintenance fees for design patents instead of increasing design patent fees.

*Response:* The agency already relies on utility maintenance fees, which are increased in this final rule, to subsidize a significant portion of design costs. As explained in other responses, assuming that the application filing volume, entity spread, and cost remain the same as in FY 2023, the average subsidy for design applications will be about \$790 per application, which is about 35% of the cost. The subsidy amount is even higher for discounted entities, *e.g.*, about \$1,212 or 54% of the cost for small entities, and \$1,732 or 77% of the cost

for micro entities. As explained in the NPRM and this final rule, the design fee increases will more closely align the fee rates with the agency's costs, which should reduce the current imbalance between fees and costs. The design fees will also support the hiring of additional design examiners to meet the agency's pendency goals. With respect to legislative solutions such as maintenance fees for design patents, such changes are beyond the scope of this rulemaking.

*Comment 39:* One commenter suggested that the USPTO could reduce costs instead of raising fees by allowing applicants to submit design patent applications with multiple designs per application instead of a single design per application, as required under current practice.

*Response:* Changes to design application practice are beyond the scope of this rulemaking. Currently, more than one embodiment of a design may be claimed so long as such embodiments involve a single inventive concept according to the obviousness-type double patenting practice for designs.

*Comment 40:* One commenter stated that USPTO design fees are much higher than those in other jurisdictions such as the European Union.

*Response:* The agency conducts substantive examination of design applications, whereas most other national or regional IP offices do not. Substantive examination requires significant time from a highly trained patent examiner. Additionally, most other national or regional IP offices require design patent holders to pay annuity or renewal fees to maintain their property rights, which drives up the cost of obtaining and maintaining a design patent. When these annuity or renewal fees are taken into account, USPTO fees for undiscounted entities are comparable to, or less expensive than, the fees charged by other large patent offices and, for discounted entities, the USPTO fees are much lower.

*Comment 41:* Commenters suggested that the USPTO could reduce costs instead of raising fees by addressing improper micro entity assertions.

*Response:* The agency has robust diligence procedures in place to identify anomalies in patent filings and in the last several years has identified questionable or apparently erroneous certifications of eligibility for micro entity status in applications, particularly in the design area. See, *e.g.*, the USPTO Director's blog entry from September 2021, titled "Ensuring the validity of micro entity certifications—

which provide reduced fees to eligible inventors and small businesses,” available on the USPTO website at <https://www.uspto.gov/blog/ensuring-the-validity-of-micro>. As explained in that blog entry, when the agency becomes aware of such questionable certifications, it takes remedial actions including mailing Notices of Additional Fees Due in the applications. However, because applications with questionable certifications remain a small fraction of incoming filings, addressing these issues does not negate the need for additional fee revenue that will be provided by this final rule.

#### *Excess Claims Fees*

*Comment 42:* One commenter expressed support for the increased fees for excess claims, noting that as larger numbers of claims are filed in a single application, examiners need to spend additional time reviewing the claims, conducting prior art searches, and assessing patentability. Other commenters expressed concern about the increased fees for excess claims and asserted that the USPTO did not provide a sufficient cost-based rationale for the increases.

*Response:* The agency incurs additional costs associated with examining excess claims. The USPTO has determined the resources necessary to carry out search and examination of applications based on the statutory thresholds for excess claims (no more than 20 total claims, of which no more than three are independent) and on applicant claiming trends, which indicate that the majority of applications do not contain excess claims. In FY 2023, 83% of applications did not contain any excess claims and 17% contained excess total claims, excess independent claims, or both (10% contained excess total claims only, 3.1% contained excess independent claims only, and 3.5% contained both excess total claims and excess independent claims). These percentages are in line with historical values over the last decade.

The USPTO notes that excess claiming can be a significant burden to the patent system and the agency. The number of claims impacts the complexity of examination and increases the demands placed on the examiner. For example, if each independent claim in an application requires a completely separate prior art patentability determination and if an application contains six independent claims, the examiner must conduct six completely separate prior art patentability determinations. Excess dependent claims also represent

additional work, as a dependent claim may be allowable over the prior art even if the claim from which it depends is not, and dependent claims also require separate patentability determinations for non-prior art based issues such as enablement, subject matter eligibility, utility, and written description. Thus, applicants who include excess claims are using the patent system more extensively than those who do not.

The USPTO accordingly determined that the cost to review applications containing excess claims should not be subsidized with other back-end fees to the same extent as applications that do not contain excess claims. While the subsidization of front-end fees is important for promoting innovation, it is also important to align fees with the full costs of products and services, because some applicants (here, applicants presenting excess claims) are using particular services in a more costly manner than other applicants. As explained in the NPRM, current front-end fees (\$1,820 for undiscounted entities in FY 2023) are set far below the USPTO’s average costs for filing, search, and examination activities (\$6,165 in FY 2023), and the difference is subsidized by other fee collections, primarily issue fees and maintenance fees. As of FY 2023, for an average application that does not contain excess claims, this subsidy (the difference between the agency’s costs and what an individual applicant pays) is \$4,345 for an undiscounted entity and even higher for applicants paying discounted fee rates (\$5,501 for a small entity filing electronically, and \$5,801 for a micro entity). Applications containing excess claims have higher costs, and if those costs are not recouped by excess claims fees paid by the applicants presenting the excess claims, they will be subsidized by other applicants who must, in turn, pay higher fees for other services, thus driving the subsidy for applications containing excess claims higher than the current \$4,345–\$5,801 amounts. The excess claims fees account for the increased subsidy.

The excess claims fees are also designed to ensure that most applicants presenting excess claims will be able to do so for less than the cost of filing a second application. In FY 2023, 86% of applications contained no excess total claims, 11% contained 10 or fewer excess claims, and only 3% contained more than 10 excess claims.

For the 11% of applications containing 10 or fewer excess claims, the average was five excess claims. In these applications, it would remain either the same cost or be less expensive to pay the excess total claims fees as

opposed to filing a second application. For example, for an undiscounted entity, 10 excess total claims at \$200 each would be \$2,000 in excess total claims fees, which will be the same as the combined filing, search, and examination fees for filing an application as adjusted by this final rule. The average number of excess claims for these applications was only five, so paying the excess total claim fees would be much less expensive than a second application. As an example, for an undiscounted entity, five excess total claims at \$200 each would be \$1,000 in excess total claims fees.

For the 3% of applications containing more than 10 excess total claims, the average was 34 excess claims. Thus, for this group of applications, it would be more expensive to pay the excess total claims fees as opposed to filing a second application. This increased expense reflects that these applications are, on average, presenting more than the number of claims that would be covered by the fees for filing a second application. Notably, about one-third of these applications (10% of all applications containing excess total claims, or 1% of all applications) contained an average of 59 excess claims, which is more than would be covered by the fees for filing two additional applications.

The USPTO’s goal is to more closely align the fee rates with the cost of examining excess claims. Higher fees for excess claims will provide more revenue to help recover the additional search and examination costs associated with excess claims as well as prosecution costs not covered by front-end fees. These fees will also promote compact prosecution and address the inequities of providing further subsidies to those who make greater use of the patent system. If the USPTO does not increase the excess claims fees, it would, in effect, increase the subsidization of excess claims by other fees, requiring increases in other fees (particularly issue and maintenance fees) to offset the costs associated with excess claims at lower fee rates and to generate sufficient aggregate revenue to recover the aggregate costs of patent operations.

*Comment 43:* Commenters stated that the increased fees for excess claims will discourage applicants from filing applications, particularly continuations or applications with broad disclosures, thereby weakening patent rights and limiting applicants’ freedom to pursue additional patent claims.

*Response:* The agency is not limiting the number of claims that applicants may file in their applications. The

USPTO notes that excess claiming can be a significant burden to the patent system and the agency. As discussed in other responses, the number of claims impacts the complexity of examination and increases the demands placed on the examiner. Applicants continue to have the opportunity to include excess claims when they consider it necessary to obtain an appropriate scope of coverage for an invention. The increased fees ensure that applicants who make greater use of the patent system bear more of the cost of the additional burden they are placing on the USPTO.

The vast majority of applications contain either no excess total claims (86% of applications), or up to 10 excess claims (11% of applications, which on average contain five excess claims), and thus the increased fees for excess claims are unlikely to negatively impact the patent system as a whole. As explained in other responses, there is additional burden on the USPTO associated with examining excess claims; thus, the excess claims fee revenue will at least, in part, recover costs for this additional burden. Filing applications with the most prudent number of unambiguous claims enables prompt conclusion of application processing because more succinct applications facilitate faster examination. Therefore, the USPTO is increasing excess claims fee rates to facilitate an efficient and compact application examination process, which benefits the applicant and the USPTO through more effective administration of patent prosecution.

*Comment 44:* Commenters stated that the increased fees for excess claims did not reflect the realities of prosecution practices. For example, some applicants may choose to recite different species in separate claims rather than as alternatives in a single claim, or some applicants may choose to present multiple inventions in the same application. One commenter also suggested a refund system in which excess claims fees are returned when claims are canceled in response to a restriction requirement or when claims are canceled by an applicant.

*Response:* As set forth in MPEP 804, claims that are unrelated (e.g., unconnected in design, operation, and effect) are generally subject to restriction. Because independent claims in most applications are at least related, restriction requirements are usually based on a determination by the examiner that the claims are distinct. Therefore, the commenter's observation offers little relief from the burden imposed by excess claims, particularly excess independent claims. With regard to refunds, the USPTO already refunds

excess claims fees when the application is abandoned prior to examination. See § 1.138(d) and MPEP 607.02, subsection V & 711.01, subsection III. Canceling claims after restriction impacts an applicant's rights to rejoinder, and it is common for applicants who receive a restriction requirement to leave non-elected claims pending. In addition, allowing applicants to obtain a refund if they cancel claims after rejoinder is considered requires examiners to consider rejoinder as to the withdrawn claims, which can be costly.

*Comment 45:* Commenters expressed concern about which USPTO activities would be funded by the excess claims fees and asserted that these fees should be used to fund the examination process only and not for any other activities.

*Response:* As explained in the NPRM in parts IV(B): Fee Setting Considerations and V: Individual Fee Rationale, the USPTO sets or adjusts patent fees to recover the aggregate estimated costs for processing, activities, services, and materials relating to patents, including administrative costs with respect to such patent fees. The patent fees will recover the aggregate estimated costs of patent operations while enabling the USPTO to predictably finance the agency's daily operations and mitigate financial risks. As explained in the NPRM, some proposed fees are set at, above, or below their unit costs to balance four key fee setting policy factors: (1) promoting innovation strategies, (2) aligning fees with the full costs of products and services, (3) facilitating effective administration of the U.S. patent system, and (4) offering application processing options. For example, the agency sets many initial filing fees below unit cost to promote innovation strategies by removing barriers to entry to the patent system. To balance the aggregate revenue loss of fees set below cost, the USPTO must set other fees above cost in areas less likely to reduce inventorship (e.g., maintenance).

For some fees proposed in the NPRM and set in this final rule, such as excess claims fees, the USPTO does not maintain individual historical cost data for services provided; instead, the agency considers the policy factors described in Part IV: Rulemaking Goals and Strategies of this rule to inform fee setting. For example, facilitating effective administration of the U.S. patent system enables the USPTO to foster an environment where USPTO personnel can provide and applicants can receive prompt, quality interim and final decisions; encourage the prompt conclusion of prosecuting an

application, resulting in pendency reduction and faster dissemination of patented information; and help recover costs for activities that strain the patent system. As explained in other responses, there is additional burden on the USPTO associated with examining excess claims; thus, the excess claims fee revenue will at least, in part, recover costs for this additional burden. To the extent that the excess claims fee revenue might exceed the direct cost of examining excess claims, such revenue will be used to recover the aggregate estimated costs of other processing, activities, services, and materials relating to patents.

*Comment 46:* One commenter suggested that the USPTO implement a tiered approach to excess claims fees instead of the current approach under which each excess claim incurs the same fee.

*Response:* This rulemaking does not modify the statutory thresholds for excess claims, which are set in 35 U.S.C. 41(a)(2). The rulemaking simply adjusts the fee for submitting claims in excess of those thresholds (more than 20 claims total or more than three independent claims).

#### *Information Disclosure Statement Size Fees*

*Comment 47:* One commenter expressed support for the IDS size fees as necessary to support the additional examination resources needed to review large numbers of references submitted by applicants. The commenter also stated that the IDS size fees will incentivize applicants to be more selective in submitting references, which will benefit clarity of the record. Other commenters also stated the fees may encourage applicants to submit fewer references but asserted that this result will be detrimental to patent quality and will potentially disparately affect small and micro entities, applicants who file families of applications, or applicants who file applications in certain technology areas.

*Response:* Reviewing large numbers of references imposes an additional burden on the agency. As noted in the NPRM, the vast majority (approximately 87%) of applications will not be affected by these fees because they contain 50 or fewer applicant-provided items of information. Based on FY 2021 data, only 13% of applications contained more than 50 applicant-provided items of information: about 5% of applications contained 51 to 100 applicant-provided items of information, about 4% of applications contained 101 to 200 applicant-provided items of information, and only 4% of

applications contained more than 200 applicant-provided items of information.

As noted in the NPRM, small and micro entities should not be disproportionately impacted by these fees, as small entities accounted for only 25% of applications that would incur a fee in FY 2022, while micro entities made up less than 1%. One commenter apparently misunderstood this statement as implying that 1 in 4 small and micro entities would be affected by the new fee. The NPRM was referring to the entity spread, *i.e.*, what proportion of applications that would incur an IDS size fee were filed by undiscounted entities (about 74%), small entities (about 25%), or micro entities (less than 1%). When compared to all utility application filings in FY 2022, only 1 in 62 applications filed by micro entities and 1 in 7.5 applications filed by small entities would incur an IDS size fee.

With respect to families of applications, under current IDS practice an examiner will consider items of information that were considered in a parent application when examining a child application (*e.g.*, a continuation, continuation-in-part, or divisional application) without any action required on applicant's part. See MPEP 609.02 for information about this practice. Thus, for an application family that comprises a parent application and a child application, an item of information that the applicant cited in the parent application will not be counted in the child application for purpose of the IDS size fees unless it is resubmitted by the applicant on an IDS in the child application.

Additionally, for both large families of applications and for those in certain technologies where applicants tend to cite more references than others, the USPTO notes that although § 1.56 clearly imposes a duty to disclose material information, that rule neither authorizes nor requires filing unreviewed or irrelevant documents with the USPTO. Such documents add little to the effectiveness of the examination process and could negatively impact the quality of the resulting examination. The USPTO encourages applicants to avoid submitting long lists of documents if possible, such as by eliminating clearly irrelevant and marginally pertinent cumulative information. MPEP 2004, item 13. If the applicant or patent owner does submit a long list of references, the USPTO encourages them to "highlight those documents which have been specifically brought to applicant's attention and/or are known to be of most significance." MPEP 2004, item 13.

To the extent that the IDS size fees may encourage some applicants to filter out irrelevant or cumulative information prior to submission, the examiners of those applications will be able to focus on the more relevant information and perform a more efficient and effective examination, thus benefiting the patent system as a whole.

Large IDS submissions are a significant burden to the patent system and the agency. The number of items of information submitted impacts the complexity of examination and increases the demands placed on the examiner. It costs the agency millions of dollars each year to provide examiners the additional time necessary to review large IDS submissions. Thus, applicants who submit large IDS submissions are using more USPTO resources than those who do not. The IDS size fees will provide more revenue to help recover the additional costs associated with large IDS submissions and address the inequities of providing subsidies to those who use more resources. If the USPTO did not charge these IDS size fees, it would in effect be increasing the subsidization of large IDS submissions by other fees and be required to raise other fees (particularly issue and maintenance fees) to offset the costs and generate sufficient aggregate revenue to cover the aggregate estimated costs of patent operations.

*Comment 48:* Commenters suggested that legislative solutions such as inequitable conduct reform would be preferable to IDS size fees when addressing the issue of applicants who submit more than 50 cumulative items of information in an application.

*Response:* The suggestion of legislative solutions is beyond the scope of this rulemaking.

*Comment 49:* Commenters suggested that it is not or should not be burdensome for the USPTO to review large numbers of references because the agency could use search and analysis tools to determine which references are most relevant.

*Response:* The agency is actively pursuing a number of initiatives involving advanced technologies and tools for increasing patent examination quality and efficiency such as the AI-based "More Like This" and "Similarity Search" features in the PE2E search suite, available on the USPTO website at <https://www.uspto.gov/web/offices/com/sol/og/2022/week02/TOC.htm#ref10> and <https://www.uspto.gov/sites/default/files/documents/ai-sim-search.pdf>. The development and refinement of these technologies and tools require substantial investment by the agency and even when completed

will not eliminate the need for an examiner to consider an applicant's cited references.

*Comment 50:* One commenter objected to the new content requirement in § 1.98(a) that an IDS contain a clear written assertion that the IDS is either accompanied by the appropriate IDS size fee or that no IDS size fee is required, stating that this requirement places a high burden on applicants.

*Response:* As noted in the NPRM, this assertion is necessary to implement the IDS size fee because it ensures the record is clear as to which fee the applicant or patent owner believes may be due (or that no fee may be due), allowing the examiner to promptly ascertain whether the IDS is compliant. Including this assertion will greatly reduce the need for the USPTO to spend additional funds developing tools specifically to detect whether an IDS size fee is due in a particular application. The vast majority of applications (approximately 87%) contain fewer than 50 applicant-cited items of information, and 77% contain fewer than 25. Thus, it should not be burdensome for most applicants to check the appropriate box on the PTO form or to include a short statement saying that no IDS size fee is due. For those applications containing more than 50 applicant-cited items of information, it should not be unduly burdensome for an applicant to keep track of how many items of information they have submitted in a particular application and to make the appropriate assertion when submitting an IDS.

*Comment 51:* One commenter suggested that the USPTO should eliminate the requirement for applicants to provide copies of the items of information cited in an IDS.

*Response:* Changes to IDS practice are beyond the scope of this rulemaking. Currently, applicants are not required to submit copies of U.S. patent application publications or U.S. patents because these documents are already available to the USPTO. See § 1.98 and MPEP 609 for more information about the required contents of an IDS.

*Comment 52:* One commenter suggested that the IDS size fees will undermine clarity of the record unless the USPTO exempts items of information that were cited in parent applications and that are resubmitted by applicants in the child application from being counted in the cumulative number of applicant-provided items of information.

*Response:* Changes to IDS practice are beyond the scope of this rulemaking. Under current IDS practice, an examiner will consider items of information that

were considered in a parent application when examining a child application (e.g., a continuation, continuation-in-part, or divisional application) without any action required from the applicant. See MPEP 609.02 for information about this practice. The IDS size fees will not undermine the clarity of the record because examiners will continue to follow current IDS practice with respect to considering items of information that were cited in parent applications. An item of information that an applicant cited in a parent application will not count towards the number of information items in a child application for purposes of the IDS size fees unless it is resubmitted by the applicant on an IDS in the child application. Thus, applicants who wish to avoid paying the IDS size fees in a child application for items of information considered in a parent application may do so by not resubmitting the items.

#### *Patent Term Adjustment Fees*

*Comment 53:* Commenters stated the proposed targeted increase from \$210 to \$300 for filing an application for patent term adjustment (PTA) under § 1.705(b) was too large.

*Response:* The agency considered public feedback on the proposed targeted increase and opted not to proceed with this proposal. Instead, the PTA fee is increasing from \$210 to \$226 in this final rule in accordance with the across-the-board adjustment applied to most patent fees.

#### *Patent Term Extension Fees*

*Comment 54:* Commenters requested that the USPTO offer entity discounts for patent term extension (PTE) fees because the proposed fee increases were substantial.

*Response:* While the USPTO is committed to helping small and micro entity filers, the agency's authority to reduce fees for small and micro entities is limited to the six categories specified in section 10(b) of the AIA (i.e., filing, searching, examining, issuing, appealing, and maintaining patent applications and patents). Since PTE services are outside of the six categories, those fees are not eligible for discounts absent a change in statutory authority.

*Comment 55:* Commenters stated that the USPTO should not propose such a large increase to PTE fees without the supporting cost data to justify the proposal. One commenter suggested that the USPTO wait to propose an increase to PTE fees until there is data to back up the expectation that the unit cost determined by the ABI program will more closely align with the actual cost.

*Response:* After considering the comments, the agency has chosen not to implement the proposed fee of \$6,700 for filing a PTE application. Instead, the fee for an application for extension will be set at \$2,500. This amount is between the FY 2022 unit cost and FY 2023 unit cost for the service. All other PTE fees will be adjusted in accordance with the levels outlined in the NPRM.

*Comment 56:* Commenters expressed concerns about the increased fee for filing a PTE application.

*Response:* The agency considered the public feedback on the proposed increase of the fee for filing a PTE application as set forth in § 1.20(j)(1) and determined that the fee for this service should be increased to cover the costs of providing this service. The USPTO carefully considered all of the comments and, in response, opted not to implement the proposed fee of \$6,700, instead setting the fee at \$2,500. This new amount is in line with the reported unit costs for this service, which were \$2,581 in FY 2022 and \$2,078 in FY 2023. This new fee will improve the agency's cost recovery for this service and reduce the current subsidization of this service by other patent fees.

*Comment 57:* One commenter stated that the fee for supplemental redetermination after a notice of final determination should be refunded if the USPTO's initial determination was deemed to be incorrect.

*Response:* The comment indicates a misunderstanding of the nature of this service. The new fee for supplemental redetermination after a notice of final determination is not related to correcting errors. Instead, the fee will recover the additional costs the USPTO incurs when a PTE applicant chooses to wait to file a response that includes a terminal disclaimer until after the agency has issued its notice of final determination. The submission of terminal disclaimers affects the patent term, and submission at this late stage in the PTE process requires the USPTO to engage in a substantial amount of rework to recalculate the applicable PTE and make a supplemental redetermination of the appropriate extension in view of the disclaimer. If a PTE applicant wishes to avoid this fee, they are encouraged to submit terminal disclaimers earlier in the PTE process.

*Comment 58:* Commenters objected to increases to PTE fees, asserting the proposal would disproportionately impact the life sciences industry.

*Response:* By statute, the products eligible for PTE services under 35 U.S.C. 156 are limited to human drug products, medical devices, animal drugs, and food or color additive products, all of which

are regulated by the FDA, and veterinary biological products, which are regulated by the USDA. While PTE fees are only relevant for certain products, the costs of providing PTE services are currently subsidized by other patent fees paid by non-PTE service users. These increases will improve the agency's cost recovery and recover PTE costs directly from PTE service users, thus reducing the burden of these fees on other entities. Further, the costs for regulatory approval of these products are extremely high. When compared to either FDA user fees or the research and development costs required to develop a new drug and obtain marketing approval, the proposed fees to obtain a patent term extension for the patent covering such a new drug are quite small, and therefore higher PTE fees should not impact the level of innovation in this industry.<sup>2</sup>

#### **Request for Continued Examination Fees**

*Comment 59:* Commenters expressed concerns about the increased fees for RCEs, particularly the proposal to trifurcate the RCE fees, and disagreed with the USPTO's cost rationale. One commenter stated that all prosecution costs after the initial final rejection are relatively low, and one commenter asserted that examination costs decrease with subsequent RCEs. Another commenter stated that the USPTO does not incur any additional costs for subsequent RCEs, and several commenters asserted that the increased fees were an attempt to dissuade applicants from filing RCEs, rather than a means to recoup costs.

*Response:* The agency considered the public feedback on the proposed trifurcation of the RCE fees and decided not to proceed with this proposal. Instead, the USPTO will retain the existing bifurcated RCE fee structure, in which the first RCE is charged at a lower rate than the second and subsequent RCEs. For more information on the adjusted fee rates for the first RCE and second and subsequent RCEs, see Part V: Individual Fee Rationale of this rule.

*Comment 60:* One commenter expressed support for the increased RCE fees, stating that the increases will incentivize applicants to seek an earlier close to patent prosecution, including through appeals. Other commenters also stated the fees might encourage applicants to shift from filing RCEs to filing appeals. They stated that this shift could overwhelm the appeal system or cause significant delays. Another commenter stated that the fees might encourage applicants to file more continuation applications instead of RCEs.

*Response:* The agency agrees with the commenters that increased fees for second and subsequent RCEs might encourage some applicants to shift from filing successive RCEs in favor of appeal or reaching agreement with an examiner. However, the USPTO disagrees that the increased fees will result in the appeal system being overwhelmed or significantly delayed.

The appeal process at the USPTO begins with an applicant's filing of a notice of appeal and payment of an appeal fee. Currently, an applicant may request a pre-appeal brief conference review and, if so, may include a short paper presenting arguments on the appealable issues with their request. The pre-appeal brief conference program provides a relatively prompt review of the appealable issues in the application by a panel of examiners at no additional cost to the applicant (other than the notice of appeal fee that is required for all appeals). If prosecution of the application is reopened after the conference, the applicant will have a further opportunity to prosecute in front of the examiner and would not need to file an appeal brief. If the application remains under appeal, the applicant would then file an appeal brief if they wish to continue with the appeal. Upon receipt of an appeal brief, USPTO personnel conduct an internal appeal conference to determine whether to proceed with an examiner's answer, allow the application, or reopen prosecution. Based on historical data from FY 2010 to 2020, only 43% of applications in which a notice of appeal is filed result in an examiner's answer. After the examiner's answer, the applicant has the opportunity to file a reply brief, and upon payment of the appeal forwarding fee, the application is forwarded to the Board for decision on the appeal. The applicant may also exit the appeal process by withdrawing the appeal, filing an RCE, or abandoning the application.

Currently, the pendency of an appeal is relatively short, and the inventory of pending appeals is at historically low levels. As of the second quarter of FY 2024, pendency of a decided appeal—the period between the assignment of an appeal number and the mailing date of the decision—was 11.9 months. In addition, since the USPTO first bifurcated RCE fees in FY 2013, the PTAB has reduced the inventory of pending appeals from 25,437 to 4,231 at the close of FY 2023. If each of the 9,863 third and subsequent RCEs expected to be filed in FY 2025 (as estimated in the aggregate revenue tables prepared for the NPRM) were instead a notice of

appeal, this would result in approximately 4,241 additional examiner's answers being mailed (based on the historical 43% rate) and a somewhat lower number of applications eventually forwarded to the Board. While this scenario would noticeably increase the PTAB's workload, the resultant number of appeals would still be far below historical levels even if every applicant who would otherwise have filed a third or subsequent RCE chooses to enter the appeal process instead of paying an increased RCE fee.

It is unlikely that an applicant motivated primarily by costs would necessarily file an appeal instead of paying the RCE fees. The undiscounted fee for a second and subsequent RCE is \$2,860, and an applicant's non-USPTO costs for the RCE may be very low, as many RCEs are filed with only an IDS or a request to reconsider a previously submitted response. In contrast, the undiscounted appeal fees are \$3,440, including the notice of appeal and appeal forwarding fee; in addition, the applicant's non-USPTO costs for an appeal are likely significantly higher than for an RCE. For example, the 2023 Report of the Economic Survey, published by the Committee on Economics of Legal Practice of the American Intellectual Property Law Association (AIPLA) and available at <https://www.aipla.org/home/news-publications/economic-survey>, indicates that the mean cost (exclusive of USPTO fees) for an appeal without oral argument is \$5,269, while fees for an amendment and/or argument responding to an Office action range from \$2,364 to \$3,972 (depending on the technology and complexity of the invention), and the fee for an IDS with less than 50 references is \$473. When these non-USPTO costs are taken into consideration, a subsequent RCE might be significantly less expensive than an appeal. Compare, for example, the total of \$8,709 for an appeal without an oral argument (\$3,440 in USPTO fees plus \$5,269 in other costs) with the total of \$3,333 for a second RCE with an IDS (\$2,860 in USPTO fees plus \$473 in other costs), or even \$5,224 to \$6,832 for a second RCE with a new amendment and/or argument (\$2,860 in USPTO fees plus \$2,364 to \$3,972 in other costs).

Moreover, some applicants might see value in filing successive RCEs as opposed to appealing or reaching agreement with an examiner. As noted in the NPRM, the scope of an issued patent is fixed, and competitors may accordingly assess how to avoid infringement. The scope of a patent that results in the future from a pending application is harder to assess. These

applicants may be less cost-sensitive than other applicants, given the value to them in prolonging prosecution. Other applicants may be more willing to consider appeals despite their higher cost because if the applicant still disagrees with the examiner's rejections after filing two RCEs, it may be more effective to appeal than to file a continuing application or another RCE because the appeal process ends with a resolution of the disputed rejections.

The USPTO does not see continuing applications as completely interchangeable with an RCE. While there is an \$860 fee differential between the fees to file a continuing application (\$2,000 combined filing, search, and examination fees for an undiscounted application) and subsequent RCEs (\$2,860 for an undiscounted application), the agency believes the different characteristics of these filings would be the overriding factor in an applicant's choice. Additionally, RCEs are not subject to excess claim or excess page fees and thus might cost less than continuing applications in many instances.

In setting these fee rates, the USPTO's goal is not to steer applicants away from RCEs but to more closely align the fee rates with the costs of processing RCEs, as discussed in other responses. Higher fees for successively filed RCEs also address the inequities of providing further subsidies to those applicants who make greater use of the patent system. If the USPTO does not increase RCE fees, it would in effect be increasing the subsidization of RCEs by other fees, which would then require increases in other fees (particularly issue and maintenance fees) to offset the cost of processing RCEs at lower fee rates.

*Comment 61:* Commenters asserted that the proposed fee increases were based on assumptions that multiple RCEs filed in the same application reflect dilatory or otherwise undesirable applicant behavior. Commenters described other prosecution scenarios as a reason why applicants file multiple RCEs, including filing an IDS after the close of prosecution when an applicant is unable to make the required certification under § 1.97(e) and responding to new rejections in final Office actions.

*Response:* The agency's goal is not to dissuade RCE filings but to more closely align the fee rates with the cost of processing RCEs, as discussed in other responses. The USPTO understands that applicants may file multiple RCEs for a variety of valid reasons and has determined that the cost to review applications with multiple RCEs should



not be subsidized with other back-end fees to the same extent as applications with a first RCE, newly filed applications, or continuing applications. Higher fees for successively filed RCEs also address the inequities of providing further subsidies to those applicants who make greater use of the patent system.

With respect to filing an IDS after the close of prosecution when an applicant is unable to make the required certification under § 1.97(e), the USPTO notes that the requirement for a certification may be avoided by filing the IDS earlier, e.g., prior to the close of prosecution (in which case the applicant has the option to pay a small fee instead of making the certification) or within three months of the item(s) of information being cited in a communication from a foreign office in a counterpart foreign application or otherwise becoming known to individuals designated in § 1.56(c). More information about certifications under § 1.97(e) is provided in section 609.04(b) of the MPEP. Thus, applicants who wish to avoid paying the increased fees for second and subsequent RCEs have other options available to submit an IDS in an application.

With respect to an applicant's need to respond to new rejections in final Office actions, the USPTO notes that second Office actions are not automatically made final and that new rejections in final Office actions are ordinarily necessitated by the applicant's amendment of the claims or based on information submitted by the applicant in an IDS filed during the period set forth in § 1.97(c) with the fee set forth in § 1.17(p). See MPEP 706.07(a) for more information about when final rejections are proper. Furthermore, after the close of prosecution, amendments that will place the application either in condition for allowance or in better form for appeal may be entered, and the applicant may also hold an interview with the examiner. See § 1.116(b) and MPEP 714.12. Thus, applicants who wish to avoid paying the increased fees for second and subsequent RCEs have other options available to respond to rejections in an application.

#### *Terminal Disclaimer Fees*

*Comment 62:* One commenter expressed support and several commenters objected to the proposed tiered fee structure for terminal disclaimers.

*Response:* The agency considered this feedback on the proposed tiered fee structure for terminal disclaimers and decided not to proceed with this proposal. Instead, the fee for this service

is increasing from \$170 to \$183 in accordance with the across-the-board adjustment applied to most patent fees.

*Comment 63:* One commenter requested data on the costs of processing terminal disclaimers.

*Response:* The agency's ABI program cannot calculate a specific unit expense for statutory disclaimers, including terminal disclaimers, because the service does not lend itself to unit costing as related costs are not easily severable from larger activity costs.

#### *Unintentional Delay Petition Fees*

*Comment 64:* One commenter expressed concern with charging a higher fee for petitions based on unintentional delays of more than two years and asserted that the higher fee has an implicit purpose of discouraging the submission of such petitions.

*Response:* The purpose of the higher fee for petitions based on unintentional delays of more than two years is to recover their additional associated costs. As noted in the NPRM, the USPTO requires additional information regarding the facts and circumstances surrounding such extended delays to ensure that the USPTO can support a conclusion that the entire delay was unintentional. As the evidentiary requirements for these petitions have increased, the costs to review and decide these petitions have also increased due to the higher level of review needed to consider the additional explanation. While the agency's primary goal in setting this fee rate is to recover the additional costs of these petitions, the higher fee also should encourage timely petition filings. Timely filing of petitions based on unintentional delay benefits applicants because it avoids delays in the examination process and also benefits the patent system as a whole by reducing uncertainty and unpredictability relating to patent rights. For example, the abandoned status of an application, the expired status of a patent, or an absence of the priority or benefit claim may be relied upon by other parties.

#### *America Invents Act Trial Fees*

*Comment 65:* Commenters requested more information on historical costs associated with trial proceedings to better understand the cost data and support the claim that AIA trial costs have continued to increase.

*Response:* The Table of Patent Fees, available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>, provides three years of historical cost data for most

current fees, including AIA trial proceedings. In addition to the Table of Patent Fees, the fee setting section of the agency's website also includes a document titled "Setting and Adjusting Patent Fees during Fiscal Year 2025—Activity Based Information and Patent Fee Unit Expense Methodology," which provides additional details on the cost methodologies used to derive the historical fee unit expenses outlined in the Table of Patent Fees. In response to this comment, the agency has provided additional details on PTAB activity costs in the methodology compared to the version published as part of the NPRM.

*Comment 66:* One commenter stated that word counts are an ineffective strategy to address problems associated with AIA trial petitions. The commenter stated regular petition fees already disincentivize filing a parallel petition.

*Response:* The agency elected not to move forward with setting fees based on word counts after considering the PPAC report and public comments received following the public hearing in May 2023, and the proposal was not included in the NPRM.

*Comment 67:* One commenter requested reassurances that AIA trial fees would not be discounted for small and micro entities in the future.

*Response:* Currently, AIA trial fees are not subject to small or micro entity discounts under section 10(b) of the AIA. Any expansion of small or micro entity discounts under section 10 would require statutory changes.

*Comment 68:* One commenter stated that raising fees for AIA trials runs counter to congressional intent to make them cost-efficient.

*Response:* The agency is committed to maintaining the PTAB's ability to provide fair, timely, and high-quality decisions. Under 35 U.S.C. 311(a) and 321(a), the USPTO Director must establish reasonable fees for inter partes review and post-grant review in consideration of their total costs. The fee increases better align the fee rates charged to petitioners with the actual costs borne by the USPTO in providing these proceedings.

*Comment 69:* One commenter stated that administrative post-grant proceedings have become a permanent part of the patent system and that the administrative costs of the USPTO for these services should not be subsidized by all patent applicants.

*Response:* The increase in existing fees for AIA trial proceedings will better align the fee rates charged to petitioners with the actual costs borne by the USPTO in providing these proceedings.

*Request for Review of a PTAB Decision by the Director Fee*

*Comment 70:* One commenter requested more information on historical costs associated with Director Review.

*Response:* Unfortunately, the USPTO cannot calculate a specific unit expense for Director Review because it is a new fee code with no historical cost data. As noted in Part V: Individual Fee Rationale of this rule, many staff assist the Director in reviewing requests and associated case materials, as well as publicizing decisions. The agency plans to formally capture and evaluate the costs associated with Director Review after the fee takes effect.

*Comment 71:* One commenter suggested that the Director Review process is a tool for ensuring consistency across cases and for the Director to set policy. The commenter objected to the proposed fee asserting private parties should not be required to pay for consistency across cases or for the Director to set policy.

*Response:* The new fee is expected to be nominal compared to the overall cost of Director Review and is merely designed to recover some of the processing costs.

*Comment 72:* One commenter stated that Director Review should be free because it is an alternative to seeking rehearing, and the cost of requesting rehearing is \$0.

*Response:* The fee for AIA proceedings already accounts for the agency's costs of handling panel rehearing requests; it does not account for the additional costs of Director Review.

*Comment 73:* One commenter suggested that the USPTO should refund the proposed fee if the Director grants a review.

*Response:* The agency's refund authority is limited to refunds of fees "paid by mistake or in excess of that required" under § 1.26(a). Because the fee provides partial recovery of costs that are incurred regardless of whether the Director Review request is granted, no refund is legally authorized.

*Legal Considerations*

*Comment 74:* Commenters stated the proposed fee schedule violated the U.S. Constitution because setting fees to encourage or discourage behavior falls under the definition of a tax set forth by the U.S. Constitution and the Supreme Court, and the USPTO does not have taxing authority.

*Response:* Patent fees are paid for receiving and maintaining a patent grant. Such fees are payments for a service and not a tax.

*Comment 75:* One commenter stated that the USPTO does not have the statutory authority to set fees that fall under 35 U.S.C. 41(d)(2) at more than their estimated unit cost.

*Response:* Under section 10 of the AIA, the USPTO has specific authority to "set or adjust by rule any fee established, authorized, or charged under title 35, United States Code, or the Trademark Act of 1946 (15 U.S.C. 1051 *et seq.*), for any services performed by or materials furnished by, the Office" so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA.

*Comment 76:* One commenter stated that the text of the Patent Act makes it clear that the USPTO cannot use fee setting to implement policy. The commenter asserted that the USPTO can advise others and can set policy for the agency but has no general authority to set or exercise policy.

*Response:* The Patent Act, 35 U.S.C. 41(d), limits the USPTO to setting fees only to levels necessary to recover the estimated average cost of the service, prohibiting any other policy consideration from factoring into the calculation of fee levels. However, in 2011, Congress provided the USPTO with additional and broader fee setting authority under section 10 of the AIA, which co-exists with those authorities provided under the Patent Act. Section 10 of the AIA, provides the USPTO specific authority to "set or adjust by rule any fee established, authorized, or charged under title 35, United States Code, or the Trademark Act of 1946 (15 U.S.C. 1051 *et seq.*), for any services performed by or materials furnished by, the Office" so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. When it enacted this language, Congress was aware that USPTO's existing fee setting authority under the Patent Act allowed only for fee setting based on cost recovery. But the language Congress enacted in section 10 imposes no limitations on how the Office can set any individual fee, so long as in the aggregate patent revenues are balanced against patent costs. The USPTO has interpreted this authority to allow it to set individual fees at, below, or above their respective cost, so long as the USPTO recovers the aggregate costs of providing services through aggregate fee collections as provided by the statutory language. In the 13 years since its enactment, the USPTO has exercised its section 10 fee setting authority multiple times (final

rules published in 2013, 2015, 2016, 2017, and 2020). Congress demonstrated support of the USPTO's interpretation, and USPTO's repeated implementation of section 10 authority in fee rulemaking in part to make policy changes, when Congress reauthorized the authority, with no change to its terms, in 2018 under the Study of Underrepresented Classes Chasing Engineering and Science Success (SUCCESS) Act of 2018 (Pub. L. 115-273). Thus, the commenter's assertions regarding the USPTO's fee setting authority would interpret the AIA to include limitations that do not exist in the AIA.

*Comment 77:* One commenter asserted that Congress explicitly specified where the USPTO has fee setting discretion, and the USPTO does not have broad authority outside of what was specified.

*Response:* The AIA expressly provides the agency with broad fee setting authority. Specifically, section 10(a)(1) provides that, "[t]he Director may set or adjust by rule any fee established, authorized, or charged under title 35, United States Code, or the Trademark Act of 1946 (15 U.S.C. 1051 *et seq.*), for any services performed by or materials furnished by, the Office." The fees set and adjusted in this rule fall within the subject matter identified by the AIA. See also discussion on fee setting authority in response to Comment 76.

*Comment 78:* Commenters stated the consideration of policy factors and objectives beyond "aggregate estimated costs to the Office" is a violation of the USPTO's section 10 fee setting authority.

*Response:* The AIA permits individual patent fees to be set or adjusted above, below, or equal to the cost of particular services, so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA. See also discussion on fee setting authority in response to Comment 76.

*Comment 79:* Commenters objected to the USPTO's statement in the NPRM that "[s]ection 10 authority includes flexibility to set individual fees in a way that furthers key policy factors, while considering the cost of the respective services," stating language on flexibility is absent from the statute.

*Response:* The AIA permits individual patent fees to be set or adjusted above, below, or equal to the cost of particular services, so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment

would interpret the AIA to include limitations that do not exist in the AIA. See also discussion on fee setting authority in response to Comment 76.

*Comment 80:* Commenters stated that the USPTO does not have the authority to engage in substantive rulemaking. They asserted that proposals for new fees for continuing applications and terminal disclaimers and substantial increases to patent term extension fees were impermissible because the purpose of those proposals was to change applicant behavior and set policy.

*Response:* The agency is undertaking this rulemaking action consistent with the requirements and authority under section 10 of the AIA. The AIA permits individual patent fees to be set or adjusted above, below, or equal to the cost of particular services, so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA. See also discussion on fee setting authority in response to Comment 76.

*Comment 81:* Commenters stated that in the absence of cost data, *i.e.*, where a unit cost is not available (*e.g.*, excess claims fees), the USPTO has no authority to impose any fee other than those provided in 35 U.S.C. 41. Commenters also stated any proposed adjustments must be in proportion to the original fees set by Congress in 2011 when the AIA was enacted, with any changes limited to the amount of inflation since then.

*Response:* Section 10 of the AIA gives the agency authority to “set or adjust by rule any fee established, authorized, or charged under title 35, United States Code, or the Trademark Act of 1946 (15 U.S.C. 1051 *et seq.*), for any services performed by or materials furnished by, the Office” so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA.

*Comment 82:* One commenter stated that the revenue split between front-end fees (filing, search, and examination) and back-end fees (maintenance and issue) must remain roughly 50/50 based on the historical proportions at the time Congress first enacted maintenance fees in 1980–82.

*Response:* Under section 10 of the AIA, the agency has specific authority to “set or adjust by rule any fee established, authorized, or charged under title 35, United States Code, or the Trademark Act of 1946 (15 U.S.C. 1051 *et seq.*), for any services performed by or materials furnished by, the

Office,” so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist and are inconsistent with the AIA. The USPTO also notes that the fee schedule set forth in this rule continues the longstanding practice of setting basic filing, search, and examination (“front-end”) fees below the actual costs of processing and examining applications, and subsidizing these services by setting undiscounted issue and maintenance (“back-end”) fees above unit cost.

*Comment 83:* One commenter asserted that setting AIA trial fees below cost was unlawful because the AIA requires the USPTO to set inter partes review and post-grant review fees “to be reasonable, considering the aggregate cost of the review.” This commenter also stated that claiming the increase supported “aggregate cost recovery” was purposefully misleading and less than candid.

*Response:* The comment would interpret the AIA to include limitations that do not exist in the AIA. Under section 10 of the AIA, the USPTO has specific authority to “set or adjust by rule any fee established, authorized, or charged under title 35, United States Code, or the Trademark Act of 1946 (15 U.S.C. 1051 *et seq.*), for any services performed by or materials furnished by, the Office,” so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The USPTO is increasing the fee rate for this service as part of the overall package that balances aggregate costs of the Patents business line with aggregate revenues. Moreover, the USPTO has determined that the inter partes review and post-grant review fees are reasonable.

*Comment 84:* Commenters asserted that the legislative history of the AIA makes it clear that the USPTO cannot use fee setting to implement policy.

*Response:* The AIA permits individual patent fees to be set or adjusted above, below, or equal to the cost of particular services, so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA.

*Comment 85:* One commenter stated the USPTO violated the Administrative Procedure Act (APA) by proposing fee adjustments in instances where no individual cost data was available.

*Response:* The USPTO disagrees with the assertion that it violated the APA in proposing its fee adjustments. The

preamble and regulatory text clearly set forth the new costs and explain the rationale for each change in compliance with the requirements of the APA.

*Comment 86:* One commenter asserted that the USPTO’s RCE proposal impairs incentives for innovation and therefore an explanation of the regulation is required under E.O. 12866.

*Response:* The preamble and regulatory text in the proposed rule and this final rule, as well as the accompanying RIA, clearly set forth the new costs and explain the rationale for the change in fees for RCEs in compliance with the requirements of the APA and E.O. 12866. Based on further consideration of the merits of the proposed rule in light of feedback from the public, the USPTO has decided not to move forward with creating a new tier for third and subsequent RCEs; instead, this final rule adjusts the existing RCE fees as discussed in Part V: Individual Fee Rationale of this rule.

*Comment 87:* One commenter questioned why the last document published in the **Federal Register** as part of the FY 2020 patent final rule was not classified as economically significant and accused the USPTO of attempting to evade cost-benefit review under E.O. 12866 and the “two for one” provision of E.O. 13771 (in effect at the time).

*Response:* The document referenced by the commenter, which published on September 18, 2020 (85 FR 58282), was a correction rule issued to fix typographical errors and makes other nonsubstantive changes. OMB determined that action was not significant pursuant to E.O. 12866 and thus did not require an RIA, nor was it subject to E.O. 13771. The final rule being corrected was published on August 3, 2020 (85 FR 46932). That rule was determined to be economically significant and was accompanied by a Regulatory Impact Analysis that satisfied the requirements of E.O. 12866. The final rule was not subject to the requirements of E.O. 13771 because it involved a transfer payment, as detailed in part VIII(E) of that rule.

*Comment 88:* Commenters stated the USPTO violated the Independent Offices Appropriations Act (IOAA), asserting the AIA must be construed *in pari materia* (a Latin phrase meaning “on the same subject or matter”) with the IOAA, and a commentator objected to previous responses the USPTO gave in fee setting rulemakings regarding the IOAA.

*Response:* The IOAA provides Federal agencies the authority to charge user fees where the agencies do not have their own specific statutory authority to

charge fees. Fees collected under the IOAA are deposited in the general fund of the U.S. Treasury and not available to the charging agency for its use. OMB Circular A-25, "User Charges," provides guidance on IOAA authority. The IOAA has no relevance to the fee setting undertaken by the USPTO, as the agency has specific statutory authority to charge fees under 35 U.S.C. and the Trademark Act of 1946. The USPTO further has specific authority to set and adjust those fees as in the current rulemaking under section 10 of the AIA. Fees collected by the USPTO are made available to the agency through annual appropriations and are available to use for the activities that generated the fee (patent and trademark examination and proportionate administrative expenses). Thus, the general authority described in the IOAA and OMB Circular A-25 is not relevant to the USPTO's fee setting.

*Comment 89:* One commenter stated the USPTO violated the Information Quality Act by proposing fee adjustments in instances where no individual cost data is available.

*Response:* The USPTO disagrees with the assertion that it has violated the IQA in its fee proposals. The USPTO's information quality guidelines are intended to improve the quality of the information disseminated by the agency to the public by formalizing the existing pre-dissemination review processes and establishing mechanisms "allowing affected persons to seek and obtain correction of information maintained and disseminated by the agency." The USPTO's IQA Guidelines may be found at: <https://www.uspto.gov/learning-and-resources/information-quality-guidelines>. The USPTO does not calculate a specific unit expense for some fee codes since they may be: (1) a new fee code with no historical cost data, (2) a fee code with zero or very low workload or usage, and/or (3) a fee code which does not lend itself to unit costing as related costs are not easily severable from larger activity costs. Where the USPTO has historical data, it provides that data to the public for comment during the rulemaking. The IQA does not require the creation of new data for every action undertaken in this rulemaking.

*Comment 90:* Commenters asserted that several of the USPTO's proposals violated the Paperwork Reduction Act (PRA). According to the commenters, the proposed fees, including those for continuing applications, terminal disclaimers, and IDSs, create an additional burden for applicants and that the collection of information for these fees is new and has not been

previously reviewed or approved by the OMB as required.

*Response:* The USPTO has complied with the PRA in considering the paperwork burdens associated with this final rule. The USPTO has previously received OMB approval for associated burdens and submitted additional statements to address revisions made by this final rule. Some of the proposals cited by the commenter have been adjusted since the NPRM after careful consideration of stakeholder feedback.

*Comment 91:* One commenter stated the USPTO is violating the PRA by proposing fee adjustments in instances where no individual cost data is available.

*Response:* The USPTO has complied with the PRA in considering the paperwork burdens associated with this final rule. The USPTO has submitted additional statements to the OMB to address revisions made by this final rule.

*Comment 92:* One commenter stated a USPTO rulemaking cannot override or rewrite existing laws and asserted that the proposed fee increases undermine enacted laws to the extent that they will strongly discourage applicants from taking advantage of patent prosecution options created by Congress.

*Response:* The USPTO disagrees with the assertion that it is overriding or undermining any existing laws in this fee setting. The preceding discussion of each fee contains extensive explanation for why fees have been established or adjusted, the potential impacts on filers and other stakeholders, and the consistency of the final rule with applicable law.

*Comment 93:* One commenter stated terminal disclaimer fees should be eligible for a discount under 35 U.S.C. 41(h)(1) because they are included under 35 U.S.C. 41(a).

*Response:* The fees in this final rule are set or adjusted under section 10 of the AIA. As previously discussed in "Setting and Adjusting Patent Fees," 78 FR 4212, 4223 (Jan. 18, 2013), prior to the enactment of discounted fees under section 10 of the AIA, the small entity discount was available only for statutory fees provided under 35 U.S.C. 41(a), (b), and (d)(1), which included terminal disclaimers. Section 10(a) of the AIA provides the agency authority to adjust all fees charged under 35 U.S.C., but section 10(b) provides that fees adjusted using section 10(a) authority only receive small entity (as defined by 35 U.S.C. 41(h)) and micro entity (as defined by section 10(g) of the AIA) discounts if they are fees for "filing, searching, examining, issuing, appealing, and maintaining patent

applications and patents." As noted in "Setting and Adjusting Patent Fees," 78 FR 4212, 4223, the disclaimer fee does not fall under one of the six categories of discount-eligible patent fees set forth in section 10(b).

*Comment 94:* One commenter stated the term "original patent" is a single term used in 35 U.S.C. 41(a)(1)(A), 41(a)(3)(A), and 41(a)(4)(A) to describe a group inclusive of both initial applications and any continuing applications, and the USPTO does not have the authority to further subdivide fees for specific subgroups (e.g., continuing applications) falling within the original patent.

*Response:* The comment suggests the commenter understood the proposed rule to be subdividing certain statutory fees: the filing fees in 35 U.S.C. 41(a)(1)(A), the examination fees in 35 U.S.C. 41(a)(3)(A), and the issue fees in 35 U.S.C. 41(a)(4)(A). The USPTO is not subdividing these fees. The filing, examination, and issue fees continue to be due in original applications, and while the rates for these fees are increased in this final rule, the rates remain the same for continuing and non-continuing applications. The rules implementing the adjustments to these fees are §§ 1.16(a)–(e) and 1.492(a) for filing fees, §§ 1.16(o)–(r) and 1.492(c) for examination fees, and §§ 1.18(a)–(c) for issue fees. The commenter's reference to continuing applications relates to a different fee under § 1.16(w), which is a new fee for presenting certain benefit claims in continuing applications. This new fee under § 1.16(w) is a distinct fee, and, when due, it is due in addition to the filing, examination, and issue fees. Filing and examination fees are always due upon filing of the application, and issue fees are always due after allowance of an application. The new fee under § 1.16(w) is due when certain benefit claims are made, which can occur upon filing, at any time during pendency, or even after a patent is granted.

*Comment 95:* One commenter stated the USPTO does not have the authority to set fees for continuing applications at levels contained in the proposed rule because doing so would be cost prohibitive and effectively take away applicants' statutory rights to file continuing applications.

*Response:* The AIA permits individual patent fees to be set or adjusted above, below, or equal to the cost of particular services, so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA.

*Comment 96:* One commenter asserted that the continuing applications proposal was designed solely to suppress continuing application filings and that such a purpose is not within the USPTO's authority under section 10.

*Response:* The continuing application fees do not prevent applicants from filing as many continuing applications as they want at any time during the pendency of the parent application. Instead, they are designed to recover more of the costs of examining continuing applications where

maintenance fees on the issued patent are unlikely to be paid as a result of insufficient term. Further, the AIA permits individual patent fees to be set or adjusted above, below, or equal to the cost of particular services, so long as the aggregate revenues for all patent fees recover the aggregate estimated costs of the patent operation. The comment would interpret the AIA to include limitations that do not exist in the AIA.

#### **VII. Discussion of Specific Rules**

The discussion below includes all fee amendments and all changes to the Code of Federal Regulations (CFR) text.

Title 37 of the CFR, parts 1, 41, and 42, are proposed to be amended as follows:

#### *Section 1.16*

Section 1.16 is amended by revising paragraphs (a) through (s) and (u) to set forth national application filing, search, examination, and related fees as authorized under section 10 of the AIA. The changes to the fee amounts in § 1.16 are shown in table 19.

**BILLING CODE 3510-16-P**

Table 19: § 1.16 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.16(a)	1011	Basic filing fee - Utility (paper filing also requires non-electronic filing fee under 1.16(t))	Undiscounted	\$320	\$350
1.16(a)	2011	Basic filing fee - Utility (paper filing also requires non-electronic filing fee under 1.16(t))	Small	\$128	\$140
1.16(a)	3011	Basic filing fee - Utility (paper filing also requires non-electronic filing fee under 1.16(t))	Micro	\$64	\$70
1.16(a)	4011	Basic filing fee - Utility (electronic filing for small entities)	Small	\$64	\$70
1.16(b)	1012	Basic filing fee - Design	Undiscounted	\$220	\$300
1.16(b)	2012	Basic filing fee - Design	Small	\$88	\$120
1.16(b)	3012	Basic filing fee - Design	Micro	\$44	\$60
1.16(b)	1017	Basic filing fee - Design CPA	Undiscounted	\$220	\$300
1.16(b)	2017	Basic filing fee - Design CPA	Small	\$88	\$120
1.16(b)	3017	Basic filing fee - Design CPA	Micro	\$44	\$60
1.16(c)	1013	Basic filing fee - Plant	Undiscounted	\$220	\$240
1.16(c)	2013	Basic filing fee - Plant	Small	\$88	\$96
1.16(c)	3013	Basic filing fee - Plant	Micro	\$44	\$48
1.16(d)	1005	Provisional application filing fee	Undiscounted	\$300	\$325
1.16(d)	2005	Provisional application filing fee	Small	\$120	\$130
1.16(d)	3005	Provisional application filing fee	Micro	\$60	\$65
1.16(e)	1014	Basic filing fee - Reissue	Undiscounted	\$320	\$350
1.16(e)	2014	Basic filing fee - Reissue	Small	\$128	\$140
1.16(e)	3014	Basic filing fee - Reissue	Micro	\$64	\$70
1.16(e)	1019	Basic filing fee - Reissue (Design CPA)	Undiscounted	\$320	\$350
1.16(e)	2019	Basic filing fee - Reissue (Design CPA)	Small	\$128	\$140
1.16(e)	3019	Basic filing fee - Reissue (Design CPA)	Micro	\$64	\$70

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.16(f)	1051	Surcharge - Late filing fee, search fee, examination fee, inventor's oath or declaration, or application filed without at least one claim or by reference	Undiscounted	\$160	\$170
1.16(f)	2051	Surcharge - Late filing fee, search fee, examination fee, inventor's oath or declaration, or application filed without at least one claim or by reference	Small	\$64	\$68
1.16(f)	3051	Surcharge - Late filing fee, search fee, examination fee, inventor's oath or declaration, or application filed without at least one claim or by reference	Micro	\$32	\$34
1.16(g)	1052	Surcharge - Late provisional filing fee or cover sheet	Undiscounted	\$60	\$65
1.16(g)	2052	Surcharge - Late provisional filing fee or cover sheet	Small	\$24	\$26
1.16(g)	3052	Surcharge - Late provisional filing fee or cover sheet	Micro	\$12	\$13
1.16(h)	1201	Each independent claim in excess of three	Undiscounted	\$480	\$600
1.16(h)	2201	Each independent claim in excess of three	Small	\$192	\$240
1.16(h)	3201	Each independent claim in excess of three	Micro	\$96	\$120
1.16(h)	1204	Each reissue independent claim in excess of three	Undiscounted	\$480	\$600
1.16(h)	2204	Each reissue independent claim in excess of three	Small	\$192	\$240
1.16(h)	3204	Each reissue independent claim in excess of three	Micro	\$96	\$120

<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.16(i)	1202	Each claim in excess of 20	Undiscounted	\$100	\$200
1.16(i)	2202	Each claim in excess of 20	Small	\$40	\$80
1.16(i)	3202	Each claim in excess of 20	Micro	\$20	\$40
1.16(i)	1205	Each reissue claim in excess of 20	Undiscounted	\$100	\$200
1.16(i)	2205	Each reissue claim in excess of 20	Small	\$40	\$80
1.16(i)	3205	Each reissue claim in excess of 20	Micro	\$20	\$40
1.16(j)	1203	Multiple dependent claim	Undiscounted	\$860	\$925
1.16(j)	2203	Multiple dependent claim	Small	\$344	\$370
1.16(j)	3203	Multiple dependent claim	Micro	\$172	\$185
1.16(k)	1111	Utility search fee	Undiscounted	\$700	\$770
1.16(k)	2111	Utility search fee	Small	\$280	\$308
1.16(k)	3111	Utility search fee	Micro	\$140	\$154
1.16(l)	1112	Design search fee or Design CPA search fee	Undiscounted	\$160	\$300
1.16(l)	2112	Design search fee or Design CPA search fee	Small	\$64	\$120
1.16(l)	3112	Design search fee or Design CPA search fee	Micro	\$32	\$60
1.16(m)	1113	Plant search fee	Undiscounted	\$440	\$485
1.16(m)	2113	Plant search fee	Small	\$176	\$194
1.16(m)	3113	Plant search fee	Micro	\$88	\$97
1.16(n)	1114	Reissue search fee or Reissue (Design CPA) search fee	Undiscounted	\$700	\$770
1.16(n)	2114	Reissue search fee or Reissue (Design CPA) search fee	Small	\$280	\$308
1.16(n)	3114	Reissue search fee or Reissue (Design CPA) search fee	Micro	\$140	\$154
1.16(o)	1311	Utility examination fee	Undiscounted	\$800	\$880
1.16(o)	2311	Utility examination fee	Small	\$320	\$352
1.16(o)	3311	Utility examination fee	Micro	\$160	\$176
1.16(p)	1312	Design examination fee or Design CPA examination fee	Undiscounted	\$640	\$700



<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.16(p)	2312	Design examination fee or Design CPA examination fee	Small	\$256	\$280
1.16(p)	3312	Design examination fee or Design CPA examination fee	Micro	\$128	\$140
1.16(q)	1313	Plant examination fee	Undiscounted	\$660	\$725
1.16(q)	2313	Plant examination fee	Small	\$264	\$290
1.16(q)	3313	Plant examination fee	Micro	\$132	\$145
1.16(r)	1314	Reissue examination fee or Reissue (Design CPA) examination fee	Undiscounted	\$2,320	\$2,550
1.16(r)	2314	Reissue examination fee or Reissue (Design CPA) examination fee	Small	\$928	\$1,020
1.16(r)	3314	Reissue examination fee or Reissue (Design CPA) examination fee	Micro	\$464	\$510
1.16(s)	1082	Design application size fee - for each additional 50 sheets that exceeds 100 sheets	Undiscounted	\$420	\$450
1.16(s)	2082	Design application size fee - for each additional 50 sheets that exceeds 100 sheets	Small	\$168	\$180
1.16(s)	3082	Design application size fee - for each additional 50 sheets that exceeds 100 sheets	Micro	\$84	\$90
1.16(s)	1083	Plant application size fee - for each additional 50 sheets that exceeds 100 sheets	Undiscounted	\$420	\$450
1.16(s)	2083	Plant application size fee - for each additional 50 sheets that exceeds 100 sheets	Small	\$168	\$180
1.16(s)	3083	Plant application size fee - for each additional 50 sheets that exceeds 100 sheets	Micro	\$84	\$90
1.16(s)	1085	Provisional application size fee - for each	Undiscounted	\$420	\$450

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
		additional 50 sheets that exceeds 100 sheets			
1.16(s)	2085	Provisional application size fee - for each additional 50 sheets that exceeds 100 sheets	Small	\$168	\$180
1.16(s)	3085	Provisional application size fee - for each additional 50 sheets that exceeds 100 sheets	Micro	\$84	\$90
1.16(s)	1084	Reissue application size fee - for each additional 50 sheets that exceeds 100 sheets	Undiscounted	\$420	\$450
1.16(s)	2084	Reissue application size fee - for each additional 50 sheets that exceeds 100 sheets	Small	\$168	\$180
1.16(s)	3084	Reissue application size fee - for each additional 50 sheets that exceeds 100 sheets	Micro	\$84	\$90
1.16(s)	1081	Utility application size fee - for each additional 50 sheets that exceeds 100 sheets	Undiscounted	\$420	\$450
1.16(s)	2081	Utility application size fee - for each additional 50 sheets that exceeds 100 sheets	Small	\$168	\$180
1.16(s)	3081	Utility application size fee - for each additional 50 sheets that exceeds 100 sheets	Micro	\$84	\$90
1.16(u)	1054	Non-DOCX filing surcharge fee	Undiscounted	\$400	\$430
1.16(u)	2054	Non-DOCX filing surcharge fee	Small	\$160	\$172
1.16(u)	3054	Non-DOCX filing surcharge fee	Micro	\$80	\$86

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*Section 1.17*

Section 1.17 is amended by revising paragraphs (a), (c) through (i), (k), (m),

and (o) through (t) and adding paragraphs (u), (v), and (w) to set forth application processing fees as authorized under section 10 of the AIA.

The changes to the fee amounts in § 1.17 are shown in table 20.

The USPTO revises the introductory text of paragraph (a) to exclude

provisional applications filed under 1.53(c).

The USPTO revises paragraph (g) by splitting it into two paragraphs (g)(1) and (2). Paragraph (g)(1) is the same as existing paragraph (g) except for the removal of § 1.103(a) from its coverage. New paragraphs (g)(2)(i) and (ii) specify the fees for filing a first request pursuant

to § 1.103(a) respectively. The USPTO adds paragraphs (m)(1) through (3) to create tiered fees for unintentionally delayed petitions based on the length of the delay.

The USPTO adds paragraphs (u) through (w). Paragraph (u) creates a lower fee for extension fees pursuant to § 1.136(a) in provisional applications

filed under § 1.53(c). Paragraph (v) creates fees for information disclosure statements filed under § 1.97. Paragraph (w) creates fees for presenting a benefit claim in a nonprovisional application under 35 U.S.C. 120, 121, 365(c), or 386(c) and § 1.78(d).

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Table 20: § 1.17 Fee changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(a)(1)	1251	Extension for response within first month, except provisional applications	Undiscounted	\$220	\$235
1.17(a)(1)	2251	Extension for response within first month, except provisional applications	Small	\$88	\$94
1.17(a)(1)	3251	Extension for response within first month, except provisional applications	Micro	\$44	\$47
1.17(a)(2)	1252	Extension for response within second month, except provisional applications	Undiscounted	\$640	\$690
1.17(a)(2)	2252	Extension for response within second month, except provisional applications	Small	\$256	\$276
1.17(a)(2)	3252	Extension for response within second month, except provisional applications	Micro	\$128	\$138
1.17(a)(3)	1253	Extension for response within third month, except provisional applications	Undiscounted	\$1,480	\$1,590
1.17(a)(3)	2253	Extension for response within third month, except provisional applications	Small	\$592	\$636
1.17(a)(3)	3253	Extension for response within third month, except provisional applications	Micro	\$296	\$318

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(a)(4)	1254	Extension for response within fourth month, except provisional applications	Undiscounted	\$2,320	\$2,495
1.17(a)(4)	2254	Extension for response within fourth month, except provisional applications	Small	\$928	\$998
1.17(a)(4)	3254	Extension for response within fourth month, except provisional applications	Micro	\$464	\$499
1.17(a)(5)	1255	Extension for response within fifth month, except provisional applications	Undiscounted	\$3,160	\$3,395
1.17(a)(5)	2255	Extension for response within fifth month, except provisional applications	Small	\$1,264	\$1,358
1.17(a)(5)	3255	Extension for response within fifth month, except provisional applications	Micro	\$632	\$679
1.17(c)	1817	Request for prioritized examination	Undiscounted	\$4,200	\$4,515
1.17(c)	2817	Request for prioritized examination	Small	\$1,680	\$1,806
1.17(c)	3817	Request for prioritized examination	Micro	\$840	\$903
1.17(d)	1819	Correction of inventorship after first action on merits	Undiscounted	\$640	\$690
1.17(d)	2819	Correction of inventorship after first action on merits	Small	\$256	\$276
1.17(d)	3819	Correction of inventorship after first action on merits	Micro	\$128	\$138
1.17(e)(1)	1801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	Undiscounted	\$1,360	\$1,500
1.17(e)(1)	2801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	Small	\$544	\$600
1.17(e)(1)	3801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	Micro	\$272	\$300

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(e)(2)	1820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	Undiscounted	\$2,000	\$2,860
1.17(e)(2)	2820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	Small	\$800	\$1,144
1.17(e)(2)	3820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	Micro	\$400	\$572
1.17(f)	1462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	Undiscounted	\$420	\$450
1.17(f)	2462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	Small	\$168	\$180
1.17(f)	3462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	Micro	\$84	\$90
1.17(g)(1)	1463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II), except suspension of action	Undiscounted	\$220	\$235
1.17(g)(1)	2463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II), except suspension of action	Small	\$88	\$94
1.17(g)(1)	3463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II), except suspension of action	Micro	\$44	\$47
1.17(g)(2)(i)	New	First request for suspension of action	Undiscounted	\$220	\$300
1.17(g)(2)(i)	New	First request for suspension of action	Small	\$88	\$120
1.17(g)(2)(i)	New	First request for suspension of action	Micro	\$44	\$60
1.17(g)(2)(ii)	New	Subsequent request for suspension of action	Undiscounted	\$220	\$450

<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.17(g)(2)(ii)	New	Subsequent request for suspension of action	Small	\$88	\$180
1.17(g)(2)(ii)	New	Subsequent request for suspension of action	Micro	\$44	\$90
1.17(h)	1464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	Undiscounted	\$140	\$150
1.17(h)	2464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	Small	\$56	\$60
1.17(h)	3464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	Micro	\$28	\$30
1.17(i)(1)	1053	Non-English translation	Undiscounted	\$140	\$150
1.17(i)(1)	2053	Non-English translation	Small	\$56	\$60
1.17(i)(1)	3053	Non-English translation	Micro	\$28	\$30
1.17(i)(1)	1830	Processing fee, except in provisional applications	Undiscounted	\$140	\$150
1.17(i)(1)	2830	Processing fee, except in provisional applications	Small	\$56	\$60
1.17(i)(1)	3830	Processing fee, except in provisional applications	Micro	\$28	\$30
1.17(i)(2)	1808	Other publication processing fee	Undiscounted	\$140	\$151
1.17(i)(2)	2808	Other publication processing fee	Small	\$140	\$151
1.17(i)(2)	3808	Other publication processing fee	Micro	\$140	\$151
1.17(i)(2)	1803	Request for voluntary publication or republication	Undiscounted	\$140	\$151
1.17(i)(2)	2803	Request for voluntary publication or republication	Small	\$140	\$151
1.17(i)(2)	3803	Request for voluntary publication or republication	Micro	\$140	\$151
1.17(k)	1802	Request for expedited examination of a design application	Undiscounted	\$1,600	\$1,720
1.17(k)	2802	Request for expedited examination of a design application	Small	\$640	\$688

<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.17(k)	3802	Request for expedited examination of a design application	Micro	\$320	\$344
1.17(m)(1)	New	Petition for the delayed payment of the fee for maintaining a patent in force, delay greater than two years	Undiscounted	\$2,100	\$3,000
1.17(m)(1)	New	Petition for the delayed payment of the fee for maintaining a patent in force, delay greater than two years	Small	\$840	\$1,200
1.17(m)(1)	New	Petition for the delayed payment of the fee for maintaining a patent in force, delay greater than two years	Micro	\$420	\$600
1.17(m)(2)	1558	Petition for the delayed payment of the fee for maintaining a patent in force, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260
1.17(m)(2)	2558	Petition for the delayed payment of the fee for maintaining a patent in force, delay less than or equal to two years	Small	\$840	\$904
1.17(m)(2)	3558	Petition for the delayed payment of the fee for maintaining a patent in force, delay less than or equal to two years	Micro	\$420	\$452
1.17(m)(1)	New	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay greater than two years	Undiscounted	\$2,100	\$3,000

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(m)(1)	New	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay greater than two years	Small	\$840	\$1,200
1.17(m)(1)	New	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay greater than two years	Micro	\$420	\$600
1.17(m)(2)	1453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260
1.17(m)(2)	2453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay less than or equal to two years	Small	\$840	\$904



CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(m)(2)	3453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding, delay less than or equal to two years	Micro	\$420	\$452
1.17(m)(1)	New	Petition for the delayed submission of a priority or benefit claim, delay greater than two years	Undiscounted	\$2,100	\$3,000
1.17(m)(1)	New	Petition for the delayed submission of a priority or benefit claim, delay greater than two years	Small	\$840	\$1,200
1.17(m)(1)	New	Petition for the delayed submission of a priority or benefit claim, delay greater than two years	Micro	\$420	\$600
1.17(m)(2)	1454	Petition for the delayed submission of a priority or benefit claim, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260
1.17(m)(2)	2454	Petition for the delayed submission of a priority or benefit claim, delay less than or equal to two years	Small	\$840	\$904
1.17(m)(2)	3454	Petition for the delayed submission of a priority or benefit claim, delay less than or equal to two years	Micro	\$420	\$452
1.17(m)(1)	New	Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay greater than two years	Undiscounted	\$2,100	\$3,000
1.17(m)(1)	New	Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay greater than two years	Small	\$840	\$1,200

<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.17(m)(1)	New	Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay greater than two years	Micro	\$420	\$600
1.17(m)(2)	1784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay less than or equal to two years	Undiscounted	\$2,100	\$2,260
1.17(m)(2)	2784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay less than or equal to two years	Small	\$840	\$904
1.17(m)(2)	3784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application, delay less than or equal to two years	Micro	\$420	\$54
1.17(m)(3)	1628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	Undiscounted	\$2,100	\$2,260
1.17(m)(3)	2628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	Small	\$840	\$904
1.17(m)(3)	3628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	Micro	\$420	\$452
1.17(o)	1818	Document fee for third-party submissions (see 37 CFR 1.290(f))	Undiscounted	\$180	\$195

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(o)	2818	Document fee for third-party submissions (see 37 CFR 1.290(f))	Small	\$72	\$78
1.17(p)	1806	Submission of an Information Disclosure Statement	Undiscounted	\$260	\$280
1.17(p)	2806	Submission of an Information Disclosure Statement	Small	\$104	\$112
1.17(p)	3806	Submission of an Information Disclosure Statement	Micro	\$52	\$56
1.17(q)	1807	Processing fee for provisional applications	Undiscounted	\$50	\$54
1.17(q)	2807	Processing fee for provisional applications	Small	\$50	\$54
1.17(q)	3807	Processing fee for provisional applications	Micro	\$50	\$54
1.17(r)	1809	Filing a submission after final rejection (see 37 CFR 1.129(a))	Undiscounted	\$880	\$945
1.17(r)	2809	Filing a submission after final rejection (see 37 CFR 1.129(a))	Small	\$352	\$378
1.17(r)	3809	Filing a submission after final rejection (see 37 CFR 1.129(a))	Micro	\$176	\$189
1.17(s)	1810	For each additional invention to be examined (see 37 CFR 1.129(b))	Undiscounted	\$880	\$945
1.17(s)	2810	For each additional invention to be examined (see 37 CFR 1.129(b))	Small	\$352	\$378
1.17(s)	3810	For each additional invention to be examined (see 37 CFR 1.129(b))	Micro	\$176	\$189
1.17(t)	1783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	Undiscounted	\$180	\$195

<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.17(t)	2783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	Small	\$72	\$78
1.17(t)	3783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	Micro	\$36	\$39
1.17(u)(1)	New	Extension for response within first month, provisional application	Undiscounted	\$220	\$50
1.17(u)(1)	New	Extension for response within first month, provisional application	Small	\$88	\$20
1.17(u)(1)	New	Extension for response within first month, provisional application	Micro	\$44	\$10
1.17(u)(2)	New	Extension for response within second month, provisional application	Undiscounted	\$640	\$100
1.17(u)(2)	New	Extension for response within second month, provisional application	Small	\$256	\$40
1.17(u)(2)	New	Extension for response within second month, provisional application	Micro	\$128	\$20
1.17(u)(3)	New	Extension for response within third month, provisional application	Undiscounted	\$1,480	\$200
1.17(u)(3)	New	Extension for response within third month, provisional application	Small	\$592	\$80
1.17(u)(3)	New	Extension for response within third month, provisional application	Micro	\$296	\$40
1.17(u)(4)	New	Extension for response within fourth month, provisional application	Undiscounted	\$2,320	\$400
1.17(u)(4)	New	Extension for response within fourth month, provisional application	Small	\$928	\$160

<b>CFR section</b>	<b>Fee code</b>	<b>Description</b>	<b>Entity type</b>	<b>Current fee</b>	<b>Final rule fee</b>
1.17(u)(4)	New	Extension for response within fourth month, provisional application	Micro	\$464	\$80
1.17(u)(5)	New	Extension for response within fifth month, provisional application	Undiscounted	\$3,160	\$800
1.17(u)(5)	New	Extension for response within fifth month, provisional application	Small	\$1,264	\$320
1.17(u)(5)	New	Extension for response within fifth month, provisional application	Micro	\$632	\$160
1.17(v)(1)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 50 but not exceed 100	Undiscounted	n/a	\$200
1.17(v)(1)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 50 but not exceed 100	Small	n/a	\$200
1.17(v)(1)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 50 but not exceed 100	Micro	n/a	\$200
1.17(v)(2)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 100 but not exceed 200	Undiscounted	n/a	\$500, less any amount previously paid

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(v)(2)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 100 but not exceed 200	Small	n/a	\$500, less any amount previously paid
1.17(v)(2)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 100 but not exceed 200	Micro	n/a	\$500, less any amount previously paid
1.17(v)(3)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 200	Undiscounted	n/a	\$800, less any amounts previously paid
1.17(v)(3)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 200	Small	n/a	\$800, less any amounts previously paid
1.17(v)(3)	New	Filing an Information Disclosure Statement that causes the cumulative number of applicant-provided or patent owner-provided items of information to exceed 200	Micro	n/a	\$800, less any amounts previously paid
1.17(w)(1)	New	Filing an application or presentation of benefit claim more than six years after earliest benefit date	Undiscounted	n/a	\$2,700
1.17(w)(1)	New	Filing an application or presentation of benefit claim more than six years after earliest benefit date	Small	n/a	\$1,080

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.17(w)(1)	New	Filing an application or presentation of benefit claim more than six years after earliest benefit date	Micro	n/a	\$540
1.17(w)(2)	New	Filing an application or presentation of benefit claim more than nine years after earliest benefit date	Undiscounted	n/a	\$4,000
1.17(w)(2)	New	Filing an application or presentation of benefit claim more than nine years after earliest benefit date	Small	n/a	\$1,600
1.17(w)(2)	New	Filing an application or presentation of benefit claim more than nine years after earliest benefit date	Micro	n/a	\$800

*Section 1.18*

Section 1.18 is amended by revising paragraphs (a) through (f) to set forth

patent issue fees as authorized under section 10 of the AIA. The changes to

the fee amounts in § 1.18 are shown in table 21.

Table 21: § 1.18 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.18(a)	1511	Reissue issue fee	Undiscounted	\$1,200	\$1,290
1.18(a)	2511	Reissue issue fee	Small	\$480	\$516
1.18(a)	3511	Reissue issue fee	Micro	\$240	\$258
1.18(a)	1501	Utility issue fee	Undiscounted	\$1,200	\$1,290
1.18(a)	2501	Utility issue fee	Small	\$480	\$516
1.18(a)	3501	Utility issue fee	Micro	\$240	\$258
1.18(b)(1)	1502	Design issue fee	Undiscounted	\$740	\$1,300
1.18(b)(1)	2502	Design issue fee	Small	\$296	\$520
1.18(b)(1)	3502	Design issue fee	Micro	\$148	\$260
1.18(b)(1)	1509	Hague design issue fee	Undiscounted	\$740	\$1,300
1.18(b)(1)	2509	Hague design issue fee	Small	\$296	\$520
1.18(b)(1)	3509	Hague design issue fee	Micro	\$148	\$260
1.18(c)	1503	Plant issue fee	Undiscounted	\$840	\$905
1.18(c)	2503	Plant issue fee	Small	\$336	\$362
1.18(c)	3503	Plant issue fee	Micro	\$168	\$181
1.18(d)(3)	1505	Publication fee for republication	Undiscounted	\$320	\$344
1.18(d)(3)	2505	Publication fee for republication	Small	\$320	\$344
1.18(d)(3)	3505	Publication fee for republication	Micro	\$320	\$344
1.18(e)	1455	Filing an application for patent term adjustment	Undiscounted	\$210	\$226
1.18(e)	2455	Filing an application for patent term adjustment	Small	\$210	\$226
1.18(e)	3455	Filing an application for patent term adjustment	Micro	\$210	\$226
1.18(f)	1456	Request for reinstatement of term reduced	Undiscounted	\$420	\$452
1.18(f)	2456	Request for reinstatement of term reduced	Small	\$420	\$452
1.18(f)	3456	Request for reinstatement of term reduced	Micro	\$420	\$452



*Section 1.19*

Section 1.19 is amended by revising paragraphs (a), (b), and (f) to set forth

document supply fees as authorized under section 10 of the AIA. The

changes to the fee amounts in § 1.19 are shown in table 22.

Table 22: § 1.19 Fee changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.19(a)(2)	8003	Printed copy of plant patent in color	Undiscounted	\$15	\$16
1.19(b)(1)(i)(A) and (ii)(A)	8007	Copy of patent application as filed	Undiscounted	\$35	\$38
1.19(b)(1)(i)(B)	8051	Copy patent file wrapper, paper medium, any number of sheets	Undiscounted	\$290	\$312
1.19(b)(1)(i)(D)	8010	Individual application documents, other than application as filed, per document	Undiscounted	\$25	\$27
1.19(b)(1)(ii)(B)	8052	Copy patent file wrapper, electronic medium, any size or provided electronically	Undiscounted	\$60	\$65
1.19(b)(3)	8013	Copy of office records, except copies of applications as filed	Undiscounted	\$25	\$27
1.19(b)(4)	8014	For assignment records, abstract of title and certification, per patent	Undiscounted	\$35	\$38
1.19(f)	8017	Copy of non-U.S. document	Undiscounted	\$25	\$27

*Section 1.20*

Section 1.20 is amended by revising paragraphs (a) through (h), (j), and (k) to

set forth post issuance fees as authorized under section 10 of the AIA. The changes to the fee amounts in § 1.20 are shown in table 23.

The USPTO adds paragraph (j)(4) to create a fee for requesting supplemental redetermination after Notice of Final Determination.

Table 23: § 1.20 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.20(a)	1811	Certificate of correction	Undiscounted	\$160	\$172
1.20(a)	2811	Certificate of correction	Small	\$160	\$172
1.20(a)	3811	Certificate of correction	Micro	\$160	\$172
1.20(b)	1816	Processing fee for correcting inventorship in a patent	Undiscounted	\$160	\$172
1.20(b)	2816	Processing fee for correcting inventorship in a patent	Small	\$160	\$172
1.20(b)	3816	Processing fee for correcting inventorship in a patent	Micro	\$160	\$172
1.20(c)(1)(i)	1831	Ex parte reexamination (§1.510(a)) streamlined	Undiscounted	\$6,300	\$6,775
1.20(c)(1)(i)	2831	Ex parte reexamination (§1.510(a)) streamlined	Small	\$2,520	\$2,710
1.20(c)(1)(i)	3831	Ex parte reexamination (§1.510(a)) streamlined	Micro	\$1,260	\$1,355
1.20(c)(2)	1812	Ex parte reexamination (§1.510(a)) non-streamlined	Undiscounted	\$12,600	\$13,545
1.20(c)(2)	2812	Ex parte reexamination (§1.510(a)) non-streamlined	Small	\$5,040	\$5,418
1.20(c)(2)	3812	Ex parte reexamination (§1.510(a)) non-streamlined	Micro	\$2,520	\$2,709
1.20(c)(3)	1821	Each reexamination independent claim in excess of three and also in excess of the number of such claims in the patent under reexamination	Undiscounted	\$480	\$600
1.20(c)(3)	2821	Each reexamination independent claim in excess of three and also in excess of the number of such claims in the patent under reexamination	Small	\$192	\$240

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.20(c)(3)	3821	Each reexamination independent claim in excess of three and also in excess of the number of such claims in the patent under reexamination	Micro	\$96	\$120
1.20(c)(4)	1822	Each reexamination claim in excess of 20 and also in excess of the number of claims in the patent under reexamination	Undiscounted	\$100	\$200
1.20(c)(4)	2822	Each reexamination claim in excess of 20 and also in excess of the number of claims in the patent under reexamination	Small	\$40	\$80
1.20(c)(4)	3822	Each reexamination claim in excess of 20 and also in excess of the number of claims in the patent under reexamination	Micro	\$20	\$40
1.20(c)(6)	1824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	Undiscounted	\$2,040	\$2,195
1.20(c)(6)	2824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	Small	\$816	\$878
1.20(c)(6)	3824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	Micro	\$408	\$439
1.20(d)	1814	Statutory disclaimer, including terminal disclaimer	Undiscounted	\$170	\$183

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.20(d)	2814	Statutory disclaimer, including terminal disclaimer	Small	\$170	\$183
1.20(d)	3814	Statutory disclaimer, including terminal disclaimer	Micro	\$170	\$183
1.20(e)	1551	For maintaining an original or any reissue patent, due at 3.5 years	Undiscounted	\$2,000	\$2,150
1.20(e)	2551	For maintaining an original or any reissue patent, due at 3.5 years	Small	\$800	\$860
1.20(e)	3551	For maintaining an original or any reissue patent, due at 3.5 years	Micro	\$400	\$430
1.20(f)	1552	For maintaining an original or any reissue patent, due at 7.5 years	Undiscounted	\$3,760	\$4,040
1.20(f)	2552	For maintaining an original or any reissue patent, due at 7.5 years	Small	\$1,504	\$1,616
1.20(f)	3552	For maintaining an original or any reissue patent, due at 7.5 years	Micro	\$752	\$808
1.20(g)	1553	For maintaining an original or any reissue patent, due at 11.5 years	Undiscounted	\$7,700	\$8,280
1.20(g)	2553	For maintaining an original or any reissue patent, due at 11.5 years	Small	\$3,080	\$3,312
1.20(g)	3553	For maintaining an original or any reissue patent, due at 11.5 years	Micro	\$1,540	\$1,656
1.20(h)	1554	Surcharge - 3.5 year - late payment within six months	Undiscounted	\$500	\$540
1.20(h)	2554	Surcharge - 3.5 year - late payment within six months	Small	\$200	\$216
1.20(h)	3554	Surcharge - 3.5 year - late payment within six months	Micro	\$100	\$108

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.20(h)	1555	Surcharge - 7.5 year - late payment within six months	Undiscounted	\$500	\$540
1.20(h)	2555	Surcharge - 7.5 year - late payment within six months	Small	\$200	\$216
1.20(h)	3555	Surcharge - 7.5 year - late payment within six months	Micro	\$100	\$108
1.20(h)	1556	Surcharge - 11.5 year - late payment within six months	Undiscounted	\$500	\$540
1.20(h)	2556	Surcharge - 11.5 year - late payment within six months	Small	\$200	\$216
1.20(h)	3556	Surcharge - 11.5 year - late payment within six months	Micro	\$100	\$108
1.20(j)(1)	1457	Application for extension of term of patent	Undiscounted	\$1,180	\$2,500
1.20(j)(1)	2457	Application for extension of term of patent	Small	\$1,180	\$2,500
1.20(j)(1)	3457	Application for extension of term of patent	Micro	\$1,180	\$2,500
1.20(j)(2)	1458	Initial application for interim extension (see 37 CFR 1.790)	Undiscounted	\$440	\$1,320
1.20(j)(2)	2458	Initial application for interim extension (see 37 CFR 1.790)	Small	\$440	\$1,320
1.20(j)(2)	3458	Initial application for interim extension (see 37 CFR 1.790)	Micro	\$440	\$1,320
1.20(j)(3)	1459	Subsequent application for interim extension (see 37 CFR 1.790)	Undiscounted	\$230	\$680
1.20(j)(3)	2459	Subsequent application for interim extension (see 37 CFR 1.790)	Small	\$230	\$680
1.20(j)(3)	3459	Subsequent application for interim extension (see 37 CFR 1.790)	Micro	\$230	\$680

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.20(j)(4)	New	Supplemental redetermination after notice of final determination	Undiscounted	n/a	\$1,440
1.20(j)(4)	New	Supplemental redetermination after notice of final determination	Small	n/a	\$1,440
1.20(j)(4)	New	Supplemental redetermination after notice of final determination	Micro	n/a	\$1,440
1.20(k)(1)	1826	Request for supplemental examination	Undiscounted	\$4,620	\$4,965
1.20(k)(1)	2826	Request for supplemental examination	Small	\$1,848	\$1,986
1.20(k)(1)	3826	Request for supplemental examination	Micro	\$924	\$993
1.20(k)(2)	1827	Reexamination ordered as a result of supplemental examination	Undiscounted	\$12,700	\$13,655
1.20(k)(2)	2827	Reexamination ordered as a result of supplemental examination	Small	\$5,080	\$5,462
1.20(k)(2)	3827	Reexamination ordered as a result of supplemental examination	Micro	\$2,540	\$2,731
1.20(k)(3)(i)	1828	Supplemental examination document size fee - for nonpatent document having between 21 and 50 sheets	Undiscounted	\$180	\$195
1.20(k)(3)(i)	2828	Supplemental examination document size fee - for nonpatent document having between 21 and 50 sheets	Small	\$72	\$78

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.20(k)(3)(i)	3828	Supplemental examination document size fee - for nonpatent document having between 21 and 50 sheets	Micro	\$36	\$39
1.20(k)(3)(ii)	1829	Supplemental examination document size fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	Undiscounted	\$300	\$325
1.20(k)(3)(ii)	2829	Supplemental examination document size fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	Small	\$120	\$130
1.20(k)(3)(ii)	3829	Supplemental examination document size fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	Micro	\$60	\$65

*Section 1.21*

Section 1.21 is amended by revising paragraphs (a), (e), (h), (i), and (n)

through (q) to set forth miscellaneous fees and charges as authorized under section 10 of the AIA. The changes to

the fee amounts in § 1.21 are shown in table 24.

Table 24: § 1.21 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.21(a)(1)(i)	9001	Application fee (non-refundable)	Undiscounted	\$110	\$118
1.21(a)(1)(ii)(A)	9010	For test administration by commercial entity	Undiscounted	\$210	\$226
1.21(a)(1)(iii)	9029	For USPTO-administered review of registration examination	Undiscounted	\$470	\$505
1.21(a)(1)(iv)	9030	Request for extension of time in which to schedule examination for registration to practice (non-refundable)	Undiscounted	\$115	\$124
1.21(a)(2)(i)	9003	On registration to practice under §11.6	Undiscounted	\$210	\$226
1.21(a)(2)(ii)	9026	On grant of limited recognition under §11.9(b)	Undiscounted	\$210	\$226
1.21(a)(4)(i)	9005	Certificate of good standing as an attorney or agent, standard	Undiscounted	\$40	\$43
1.21(a)(4)(ii)	9006	Certificate of good standing as an attorney or agent, suitable for framing	Undiscounted	\$50	\$54
1.21(a)(5)(i)	9012	Review of decision by the Director of Enrollment and Discipline under §11.2(c)	Undiscounted	\$420	\$452
1.21(a)(5)(ii)	9013	Review of decision of the Director of Enrollment and Discipline under §11.2(d)	Undiscounted	\$420	\$452
1.21(a)(6)(ii)	9028	For USPTO-assisted change of address within the Office of Enrollment and Discipline Information System	Undiscounted	\$70	\$75
1.21(a)(9)(i)	9020	Delinquency fee	Undiscounted	\$50	\$54
1.21(a)(9)(ii)	9004	Administrative reinstatement fee	Undiscounted	\$210	\$226



CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.21(a)(10)	9014	On petition for reinstatement by a person excluded or suspended on ethical grounds, or excluded on consent from practice before the Office	Undiscounted	\$1,680	\$1,806
1.21(e)	8020	International type search report	Undiscounted	\$40	\$43
1.21(h)(2)	8021	Recording each patent assignment, agreement or other paper, per property – if not submitted electronically	Undiscounted	\$50	\$54
1.21(i)	8022	Publication in Official Gazette	Undiscounted	\$25	\$27
1.21(n)	8026	Handling fee for incomplete or improper application	Undiscounted	\$140	\$151
1.21(o)(1)	1091	Submission of sequence listings of 300MB to 800MB	Undiscounted	\$1,060	\$1,140
1.21(o)(1)	2091	Submission of sequence listings of 300MB to 800MB	Small	\$424	\$456
1.21(o)(1)	3091	Submission of sequence listings of 300MB to 800MB	Micro	\$212	\$228
1.21(o)(2)	1092	Submission of sequence listings of more than 800MB	Undiscounted	\$10,500	\$11,290
1.21(o)(2)	2092	Submission of sequence listings of more than 800MB	Small	\$4,200	\$4,516
1.21(o)(2)	3092	Submission of sequence listings of more than 800MB	Micro	\$2,100	\$2,258
1.21(p)	8053	Additional fee for overnight delivery	Undiscounted	\$40	\$43
1.21(q)	8054	Additional fee for expedited service	Undiscounted	\$170	\$183

**BILLING CODE 3510-16-C**

*Section 1.78*

Section 1.78 is amended by revising paragraph (d)(3)(i) to include the fee

cited in § 1.17(w) as one of the requirements that must be submitted during the pendency of the later-filed application.

The USPTO revises paragraph (e)(2) to add the applicable fee in § 1.17(w) to the list of required items that must accompany a petition to accept an unintentionally delayed claim under 35

U.S.C. 120, 121, 365(c), or 386(c) for the benefit of a prior-filed application.

*Section 1.97*

Section 1.97 is amended by revising paragraph (a) to require the information disclosure statement size fee under § 1.17(v) for an information disclosure statement in compliance with § 1.98 to be considered by the USPTO during the pendency of the application.

*Section 1.98*

Section 1.98 is amended by revising the introductory text in paragraph (a) to include paragraph (a)(4) in the items that shall be included with any information disclosure statement.

The USPTO adds paragraph (a)(4), which will require a clear written assertion that the information disclosure statement is accompanied by the applicable information disclosure statement size fee under § 1.17(v) or a clear written assertion that no information disclosure statement size fee under § 1.17(v) is required.

*Section 1.136*

Section 1.136 is amended by revising paragraph (a)(1) to include the addition

of the fee set in § 1.17(u) in extensions of time.

*Section 1.138*

Section 1.138 is amended by revising paragraph (d) to expand the applicability of the express abandonment rule to permit such refunds in national stage applications filed under 35 U.S.C. 371. The current rule permits such refunds only in nonprovisional applications filed under 35 U.S.C. 111(a) and § 1.53(b).

Paragraph (d) is also amended to clarify that refunds of search and excess claims fee payments under these provisions are limited to the search and excess claims fees set forth in § 1.16 (which apply to applications filed under 35 U.S.C.

111(a) and § 1.53(b)) and search and excess claims fees set forth in § 1.492 (which apply to national stage applications filed under 35 U.S.C. 371). Paragraph (d) is also amended to clarify that refunds of search and excess claims fee payments under these provisions are limited to the search and excess claims fees set forth in § 1.16 (which apply to applications filed under 35 U.S.C. 111(a) and § 1.53(b)) and search and

excess claims fees set forth in § 1.492 (which apply to national stage applications filed under 35 U.S.C. 371).

*Section 1.445*

Section 1.445 is amended by revising and republishing paragraph (a) to set forth international filing, processing, and search fees as authorized under section 10 of the AIA. The changes to the fee amounts in § 1.445 are shown in table 25. The fees are for or an international application having a receipt date that is on or after the effective date of the final rule. Fees previously provided for in paragraphs (a)(1)(i)(A), (a)(2)(i), and (a)(3)(i) for international applications having a receipt date that is on or after December 29, 2023, will be redesignated as (a)(1)(i)(B), (a)(2)(ii), and (a)(3)(ii) and will apply to international applications having a receipt date that is on or after December 29, 2022, and before the effective date of the final rule. Other paragraphs under paragraphs (a)(1) through (3) are to be redesignated to accommodate these proposed changes.

**BILLING CODE 3510-16-P**

Table 25: § 1.445 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.445(a)(1)(i)(A)	1601	Transmittal fee	Undiscounted	\$260	\$285
1.445(a)(1)(i)(A)	2601	Transmittal fee	Small	\$104	\$114
1.445(a)(1)(i)(A)	3601	Transmittal fee	Micro	\$52	\$57
1.445(a)(2)(i)	1602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	Undiscounted	\$2,180	\$2,400
1.445(a)(2)(i)	2602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	Small	\$872	\$960
1.445(a)(2)(i)	3602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	Micro	\$436	\$480
1.445(a)(3)(i)	1604	Supplemental search fee when required, per additional invention	Undiscounted	\$2,180	\$2,400
1.445(a)(3)(i)	2604	Supplemental search fee when required, per additional invention	Small	\$872	\$960
1.445(a)(3)(i)	3604	Supplemental search fee when required, per additional invention	Micro	\$436	\$480
1.445(a)(4)	1621	Transmitting application to Intl. Bureau to act as receiving office	Undiscounted	\$260	\$285
1.445(a)(4)	2621	Transmitting application to Intl. Bureau to act as receiving office	Small	\$104	\$114
1.445(a)(4)	3621	Transmitting application to Intl. Bureau to act as receiving office	Micro	\$52	\$57
1.445(a)(5)	1627	Late furnishing fee for providing a sequence listing in response to an invitation under PCT rule 13ter	Undiscounted	\$320	\$345

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.445(a)(5)	2627	Late furnishing fee for providing a sequence listing in response to an invitation under PCT rule 13ter	Small	\$128	\$138
1.445(a)(5)	3627	Late furnishing fee for providing a sequence listing in response to an invitation under PCT rule 13ter	Micro	\$64	\$69

*Section 1.482*

Section 1.482 is amended by revising paragraphs (a) and (c) to set forth

international preliminary examination and processing fees for international patent applications entering the international stage as authorized under

section 10 of the AIA. The changes to the fee amounts in § 1.482 are shown in table 26.

Table 26: § 1.482 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.482(a)(1)(i)	1605	Preliminary examination fee - U.S. was the ISA	Undiscounted	\$640	\$705
1.482(a)(1)(i)	2605	Preliminary examination fee - U.S. was the ISA	Small	\$256	\$282
1.482(a)(1)(i)	3605	Preliminary examination fee - U.S. was the ISA	Micro	\$128	\$141
1.482(a)(1)(ii)	1606	Preliminary examination fee - U.S. was not the ISA	Undiscounted	\$800	\$880
1.482(a)(1)(ii)	2606	Preliminary examination fee - U.S. was not the ISA	Small	\$320	\$352
1.482(a)(1)(ii)	3606	Preliminary examination fee - U.S. was not the ISA	Micro	\$160	\$176
1.482(a)(2)	1607	Supplemental examination fee per additional invention	Undiscounted	\$640	\$705
1.482(a)(2)	2607	Supplemental examination fee per additional invention	Small	\$256	\$282
1.482(a)(2)	3607	Supplemental examination fee per additional invention	Micro	\$128	\$141
1.482(c)	1627	Late furnishing fee for providing a sequence listing in response to an invitation under PCT rule 13ter	Undiscounted	\$320	\$345
1.482(c)	2627	Late furnishing fee for providing a sequence listing in response to an invitation under PCT rule 13ter	Small	\$128	\$138
1.482(c)	3627	Late furnishing fee for providing a sequence listing in response to an invitation under PCT rule 13ter	Micro	\$64	\$69

Section 1.492

Section 1.492 is amended by revising paragraphs (a) through (f) and (h)

through (j) to set forth national stage fees for international patent applications as authorized under section 10 of the

AIA. The changes to the fee amounts in § 1.492 are shown in table 27.

Table 27: § 1.492 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.492(a)	1631	Basic national stage fee	Undiscounted	\$320	\$350
1.492(a)	2631	Basic national stage fee	Small	\$128	\$140
1.492(a)	3631	Basic national stage fee	Micro	\$64	\$70
1.492(b)(2)	1641	National stage search fee - U.S. was the ISA	Undiscounted	\$140	\$150
1.492(b)(2)	2641	National stage search fee - U.S. was the ISA	Small	\$56	\$60
1.492(b)(2)	3641	National stage search fee - U.S. was the ISA	Micro	\$28	\$30
1.492(b)(3)	1642	National stage search fee - search report prepared and provided to USPTO	Undiscounted	\$540	\$580
1.492(b)(3)	2642	National stage search fee - search report prepared and provided to USPTO	Small	\$216	\$232
1.492(b)(3)	3642	National stage search fee - search report prepared and provided to USPTO	Micro	\$108	\$116
1.492(b)(4)	1632	National stage search fee - all other situations	Undiscounted	\$700	\$770
1.492(b)(4)	2632	National stage search fee - all other situations	Small	\$280	\$308
1.492(b)(4)	3632	National stage search fee - all other situations	Micro	\$140	\$154
1.492(c)(2)	1633	National stage examination fee - all other situations	Undiscounted	\$800	\$880
1.492(c)(2)	2633	National stage examination fee - all other situations	Small	\$320	\$352
1.492(c)(2)	3633	National stage examination fee - all other situations	Micro	\$160	\$176
1.492(d)	1614	Each independent claim in excess of three	Undiscounted	\$480	\$600
1.492(d)	2614	Each independent claim in excess of three	Small	\$192	\$240
1.492(d)	3614	Each independent claim in excess of three	Micro	\$96	\$120
1.492(e)	1615	Each claim in excess of 20	Undiscounted	\$100	\$200
1.492(e)	2615	Each claim in excess of 20	Small	\$40	\$80
1.492(e)	3615	Each claim in excess of 20	Micro	\$20	\$40
1.492(f)	1616	Multiple dependent claim	Undiscounted	\$860	\$925

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.492(f)	2616	Multiple dependent claim	Small	\$344	\$370
1.492(f)	3616	Multiple dependent claim	Micro	\$172	\$185
1.492(h)	1617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	Undiscounted	\$160	\$170
1.492(h)	2617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	Small	\$64	\$68
1.492(h)	3617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	Micro	\$32	\$34
1.492(i)	1618	English translation after thirty months from priority date	Undiscounted	\$140	\$150
1.492(i)	2618	English translation after thirty months from priority date	Small	\$56	\$60
1.492(i)	3618	English translation after thirty months from priority date	Micro	\$28	\$30
1.492(j)	1681	National stage application size fee - for each additional 50 sheets that exceeds 100 sheets	Undiscounted	\$420	\$450
1.492(j)	2681	National stage application size fee - for each additional 50 sheets that exceeds 100 sheets	Small	\$168	\$180
1.492(j)	3681	National stage application size fee - for each additional 50 sheets that exceeds 100 sheets	Micro	\$84	\$90

*Section 1.555*

Section 1.555 is amended by revising paragraph (a) to require the information disclosure statement size fee under § 1.17(v) for an information disclosure statement in compliance with § 1.98 to

be considered by the USPTO during the pendency of the reexamination proceeding.

*Section 1.1031*

Section 1.1031 is amended by revising paragraph (a) to set forth international design application fees as authorized under section 10 of the AIA. The

changes to the fee amounts in § 1.1031 are shown in table 28.

Table 28: § 1.1031 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
1.1031(a)	1781	Hague international design application - transmittal fee	Undiscounted	\$120	\$130
1.1031(a)	2781	Hague international design application - transmittal fee	Small	\$48	\$52
1.1031(a)	3781	Hague international design application - transmittal fee	Micro	\$24	\$26

*Section 41.20*

Section 41.20 is amended by revising paragraphs (a) and (b) to set forth

petition and appeal fees as authorized under section 10 of the AIA. The

changes to the fee amounts in § 41.20 are shown in table 29.



Table 29: § 41.20 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
41.20(a)	1405	Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3	Undiscounted	\$420	\$452
41.20(a)	2405	Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3	Small	\$420	\$452
41.20(a)	3405	Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3	Micro	\$420	\$452
41.20(b)(1)	1401	Notice of appeal	Undiscounted	\$840	\$905
41.20(b)(1)	2401	Notice of appeal	Small	\$336	\$362
41.20(b)(1)	3401	Notice of appeal	Micro	\$168	\$181
41.20(b)(2)(ii)	1404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	Undiscounted	\$2,100	\$2,260
41.20(b)(2)(ii)	2404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	Small	\$840	\$904
41.20(b)(2)(ii)	3404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	Micro	\$420	\$452
41.20(b)(3)	1403	Request for oral hearing	Undiscounted	\$1,360	\$1,460
41.20(b)(3)	2403	Request for oral hearing	Small	\$544	\$584
41.20(b)(3)	3403	Request for oral hearing	Micro	\$272	\$292
41.20(b)(4)	1413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	Undiscounted	\$2,360	\$2,535
41.20(b)(4)	2413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	Small	\$944	\$1,014
41.20(b)(4)	3413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	Micro	\$472	\$507

Section 42.15

Section 42.15 is amended by revising paragraphs (a) through (e) and adding

paragraph (f) to set forth inter partes review and post-grant review or covered business method patent review of a patent fees as authorized under section

10 of the AIA. The changes to the fee amounts in § 42.15 are shown in table 30.

Table 30: § 42.15 Fee Changes

CFR section	Fee code	Description	Entity type	Current fee	Final rule fee
42.15(a)(1)	1406	Inter partes review request fee - Up to 20 claims	Undiscounted	\$19,000	\$23,750
42.15(a)(2)	1414	Inter partes review post-institution fee - Up to 20 claims	Undiscounted	\$22,500	\$28,125
42.15(a)(3)	1407	Inter partes review request of each claim in excess of 20	Undiscounted	\$375	\$470
42.15(a)(4)	1415	Inter partes post-institution request of each claim in excess of 20	Undiscounted	\$750	\$940
42.15(b)(1)	1408	Post-grant or covered business method review request fee - Up to 20 claims	Undiscounted	\$20,000	\$25,000
42.15(b)(2)	1416	Post-grant or covered business method review post-institution fee - Up to 20 claims	Undiscounted	\$27,500	\$34,375
42.15(b)(3)	1409	Post-grant or covered business method review request of each claim in excess of 20	Undiscounted	\$475	\$595
42.15(b)(4)	1417	Post-grant or covered business method review post-institution request of each claim in excess of 20	Undiscounted	\$1,050	\$1,315
42.15(c)(1)	1412	Petition for a derivation proceeding	Undiscounted	\$420	\$452
42.15(d)	1411	Request to make a settlement agreement available and other requests filed in an AIA trial proceeding	Undiscounted	\$420	\$452
42.15(e)	1418	Pro hac vice admission fee	Undiscounted	\$250	\$269
42.15(f)	New	Request for review of a PTAB decision by the Director	Undiscounted	n/a	\$452

## VIII. Rulemaking Considerations

### A. *America Invents Act*

This rule sets or adjust fees under section 10(a) of the AIA as amended by the SUCCESS Act, Pub. L. 115–273, 132 Stat. 4158. Section 10(a) of the AIA authorizes the Director to set or adjust by rule any patent fee established, authorized, or charged under 35 U.S.C. for any services performed or materials furnished by the USPTO. The SUCCESS Act extends the USPTO fee setting authority until September 2026. Section 10 prescribes that fees may be set or adjusted only to recover the aggregate estimated cost to the USPTO for processing, activities, services, and materials relating to patents, including administrative costs of the agency with respect to such patent fees. Section 10 authority includes flexibility to set individual fees in a way that furthers key policy factors, while taking into account the cost of the respective services. Section 10(e) of the AIA sets forth the general requirements for rulemakings that set or adjust fees under this authority. In particular, section 10(e)(1) requires the Director to publish in the **Federal Register** any proposed fee change under section 10 and include in such publication the specific rationale and purpose for the proposal, including the possible expectations or benefits resulting from the proposed change. For such rulemakings, the AIA requires that the USPTO provide a public comment period of not less than 45 days.

PPAC advises the Under Secretary of Commerce for Intellectual Property and Director of the USPTO on the management, policies, goals, performance, budget, and user fees of patent operations. When proposing fees under section 10 of the AIA, the Director must provide PPAC with the proposed fees at least 45 days prior to publishing the proposed fees in the **Federal Register**. PPAC then has at least 30 days within which to deliberate, consider, and comment on the proposal, as well as hold public hearings on the proposed fees. PPAC must provide a written report to the public detailing the committee's comments, advice, and recommendations regarding the proposed fees before the USPTO issues a final rule. The USPTO must consider and analyze any comments, advice, or recommendations received from PPAC before setting or adjusting fees.

Consistent with this framework, on April 20, 2023, the Director notified PPAC of the USPTO's intent to set or adjust patent fees and submitted a preliminary patent fee proposal with supporting materials. The preliminary patent fee proposal and associated

materials are available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>. PPAC held a public hearing at the USPTO's headquarters in Alexandria, Virginia, on May 18, 2023, where members of the public were given the opportunity to provide oral testimony. Transcripts of the hearing are available for review on the USPTO website at [https://www.uspto.gov/sites/default/files/documents/PPAC\\_Hearing\\_Transcript-20230518.pdf](https://www.uspto.gov/sites/default/files/documents/PPAC_Hearing_Transcript-20230518.pdf). Members of the public were also given the opportunity to submit written comments for PPAC to consider, and these comments are available on *Regulations.gov* at <https://www.regulations.gov/document/PTO-P-2023-0017-0001>. On August 14, 2023, PPAC released a written report setting forth in detail their comments, advice, and recommendations regarding the preliminary proposed fees. The PPAC Report is available on the USPTO website at <https://www.uspto.gov/sites/default/files/documents/PPAC-Report-on-2023-Fee-Proposal.docx>. The USPTO considered and analyzed all comments, advice, and recommendations received from PPAC before publishing the NPRM on April 3, 2024 (89 FR 23226). The NPRM comment period closed on June 3, 2024. Section 10(e) of the AIA requires the director to publish the final fee rule in the **Federal Register** and the *Official Gazette* of the USPTO at least 45 days before the final fees become effective. Pursuant to this requirement, this rule is effective on January 19, 2025.

### B. *Regulatory Flexibility Act (RFA)*

The USPTO publishes this Final Regulatory Flexibility Analysis (FRFA) as required by the RFA (5 U.S.C. 601 *et seq.*) to examine the impact of this final rule on small entities. Under the RFA, whenever an agency is required by 5 U.S.C. 553 (or any other law) to publish an NPRM, the agency must prepare and make available for public comment an Initial Regulatory Flexibility Analysis (IRFA), unless the agency certifies under 5 U.S.C. 605(b) that the proposed rule, if implemented, will not have a significant economic impact on a substantial number of small entities. The USPTO published an IRFA, along with the NPRM, on April 3, 2024 (89 FR 23226). Given that the final patent fee schedule, based on the assumptions found in the FY 2025 Budget, is projected to result in \$2,053 million in additional aggregate revenue over the current fee schedule (baseline) for the period including FY 2025 to FY 2029, the USPTO acknowledges that the fee adjustments will impact all entities

seeking patent protection and could have a significant impact on small and micro entities. The \$2,053 million in additional aggregate revenue results from an additional \$292 million in FY 2025, \$435 million in FY 2026, \$442 million in FY 2027, \$441 million in FY 2028, and \$444 million in FY 2029. This implies annualized effects of \$406.3 million using a 3% discount rate and \$408.5 million using a 7% discount rate.

Items 1–6 below discuss the six items specified in 5 U.S.C. 604(a)(1)–(6) to be addressed in an FRFA. Item 6 below discusses the alternatives to this final rule that were considered.

#### 1. *A statement of the need for, and objectives of, the rule.*

Section 10 of the AIA authorizes the Director to set or adjust by rule any patent fee established, authorized, or charged under 35 U.S.C. for any services performed or materials furnished by the USPTO. The objective of this final patent fee schedule is for patent fees to recover the aggregate cost of patent operations, including administrative costs, while facilitating effective administration of the U.S. patent system. Since its inception, the AIA strengthened the patent system by affording the USPTO the “resources it requires to clear the still sizeable unexamined inventory of patent applications and move forward to deliver to all American inventors the first rate service they deserve.” H.R. Rep. No. 112–98(I), at 163 (2011). In setting and adjusting fees under the AIA, the agency will secure a sufficient amount of aggregate revenue to recover the aggregate cost of patent operations, including revenue needed to achieve strategic and operational goals. Additional information on the USPTO's strategic goals may be found in the Strategic Plan, available at [www.uspto.gov/StrategicPlan](http://www.uspto.gov/StrategicPlan). Additional information on the agency's operating requirements to achieve the strategic goals may be found in the “USPTO FY 2025 President's Budget Request,” available at <https://www.uspto.gov/about-us/performance-and-planning/budget-and-financial-information>.

#### 2. *A statement of the significant issues raised by the public comments in response to the Initial Regulatory Flexibility Analysis, a statement of the assessment of the agency of such issues, and a statement of any changes made in the final rule as a result of such comments.*

The USPTO did not receive any public comments in response to the IRFA. However, the agency received comments about fees in general, as well as particular fees, and their impact on

small entities, which are discussed above in Part VI. Discussion of Comments.

3. *The response of the agency to any comments filed by the chief counsel for advocacy of the Small Business Administration in response to the proposed rule, and a detailed statement of any change made to the proposed rule in the final rule as a result of the comments.*

The USPTO did not receive any comments filed by the Chief Counsel for Advocacy of the Small Business Administration (SBA) in response to the NPRM.

4. *A description of and, where feasible, an estimate of the number of small entities to which the rule will apply or an explanation of why no such estimate is available.*

#### a. SBA Size Standard

The SBA size standards applicable to most analyses conducted to comply with the RFA are set forth in 13 CFR 121.201. These regulations generally define small businesses as those with less than a specified maximum number of employees or less than a specified level of annual receipts for the entity's industrial sector or North American Industry Classification System (NAICS) code. As provided by the RFA, and after consulting with the SBA, the USPTO formally adopted an alternate size standard for the purpose of conducting an analysis or making a certification under the RFA for patent-related regulations. See "Business Size Standard for Purposes of United States Patent and Trademark Office Regulatory Flexibility Analysis for Patent-Related Regulations," 71 FR 67109, 67109 (Nov. 20, 2006), 1313 Off. Gaz. Pat. Office 37, 60 (Dec. 12, 2006). The USPTO's alternate small business size standard consists of the SBA's previously established size standard for entities entitled to pay reduced patent fees. See 13 CFR 121.802.

Unlike the SBA's generally applicable small business size standards, the size standard for the USPTO is not industry-specific. The USPTO's definition of a small business concern for RFA purposes is a business or other concern that meets the SBA's definition of a "business concern or concern" set forth in § 121.105 and meets the size standards set forth in § 121.802 for the purpose of paying reduced patent fees, namely, an entity (a) whose number of

employees, including affiliates, does not exceed 500 persons; and (b) that has not assigned, granted, conveyed, or licensed (and is under no obligation to do so) any rights in the invention to any person who made it and could not be classified as an independent inventor or to any concern that would not qualify as a nonprofit organization or a small business concern under this definition. See 71 FR at 67109, 1313 Off. Gaz. Pat. Office 60.

A patent applicant can self-identify on a patent application as qualifying as a small entity or may provide certification of micro entity status for reduced patent fees under the USPTO's alternative size standard. The data is captured and tracked for each patent application submitted.

#### b. Small Entity Defined

The AIA, as amended by the UAIA, provides that fees set or adjusted under section 10(a) "for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents shall be reduced by 60 percent" with respect to the application of such fees to any "small entity" (as defined in § 1.27) that qualifies for reduced fees under 35 U.S.C. 41(h)(1). In turn, 125 Stat. at 316–17. 35 U.S.C. 41(h)(1) provides that certain patent fees "shall be reduced by 60 percent" for a small business concern as defined by section 3 of the Small Business Act and for any independent inventor or nonprofit organization as defined in regulations described by the Director.

#### c. Micro Entity Defined

Section 10(g) of the AIA created a new category of entity called a "micro entity." 35 U.S.C. 123; see also 125 Stat. at 318–19. Section 10(b) of the AIA, as amended by the UAIA, provides that the fees set or adjusted under section 10(a) "for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents shall be reduced by 80 percent with respect to the application of such fees to any micro entity as defined by 35 U.S.C. 123." 125 Stat. at 315–17. 35 U.S.C. 123(a) defines a "micro entity" as an applicant who makes a certification that the applicant (1) qualifies as a small entity as defined in § 1.27; (2) has not been named as an inventor on more than four previously filed patent applications, other than applications filed in another country,

provisional applications under 35 U.S.C. 111(b), 35 U.S.C. 111(b), or Patent Cooperation Treaty (PCT) applications for which the basic national fee under 35 U.S.C. 41(a) was not paid; (3) did not, in the calendar year preceding the calendar year in which the applicable fee is being paid, have a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census; and (4) has not assigned, granted, or conveyed, and is not under an obligation by contract or law, to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity exceeding the income limit set forth in (3) above. See 125 Stat. at 318; see also <https://www.uspto.gov/PatentMicroEntity>. 35 U.S.C. 123(d) also defines a "micro" as an applicant who certifies that the applicant's employer, from which the applicant obtains the majority of the applicant's income, is an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)); or the applicant has assigned, granted, conveyed, or is under an obligation by contract or law, to assign, grant, or convey, a license or other ownership interest in the particular applications to such an institution of higher education.

#### d. Estimate of Number of Small Entities Affected

The changes in this final rule will apply to any entity, including small and micro entities, that pays any patent fee set forth in the final rule. The reduced fee rates (60% for small entities and 80% for micro entities) will continue to apply to any small entity asserting small entity status and to any micro entity certifying micro entity status for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents.

The USPTO reviews historical data to estimate the percentages of application filings asserting small entity status. Table 31 presents a summary of such small entity filings by type of application (utility, reissue, plant, design) over the last five years.

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Table 31: Number of Patent Applications Filed in the Last Five Years\*

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023**	Average
<b>Utility</b>	All	619,463	607,501	594,090	590,096	594,922	601,214
	Small	134,686	137,610	141,314	140,387	143,409	139,481
	% Small	21.7%	22.7%	23.8%	23.8%	24.1%	23.2%
	Micro	19,724	19,317	19,798	18,406	17,562	18,961
	% Micro	3.2%	3.2%	3.3%	3.1%	3.0%	3.2%
<b>Reissue</b>	All	714	727	706	755	615	703
	Small	160	181	190	200	188	184
	% Small	22.4%	24.9%	26.9%	26.5%	30.6%	26.2%
	Micro	19	28	11	27	6	18
	% Micro	2.7%	3.9%	1.6%	3.6%	1.0%	2.6%
<b>Plant</b>	All	1,160	1,043	945	934	865	989
	Small	589	504	424	445	403	473
	% Small	50.8%	48.3%	44.9%	47.6%	46.6%	47.8%
	Micro	8	7	6	10	5	7
	% Micro	0.7%	0.7%	0.6%	1.1%	0.6%	0.7%
<b>Design</b>	All	46,061	50,002	56,085	55,678	54,655	52,496
	Small	18,628	19,001	19,913	18,972	20,421	19,387
	% Small	40.4%	38.0%	35.5%	34.1%	37.4%	36.9%
	Micro	6,367	9,033	15,088	14,337	14,203	11,806
	% Micro	13.8%	18.1%	26.9%	25.7%	26.0%	22.5%

\* The patent application filing data in this table includes RCEs.

\*\* FY 2023 application filing data are preliminary.

over the past five years for those application types to estimate future filing rates by small and micro entities. Those average rates appear in the last column of table 31. The USPTO estimates that small entity filing rates will continue for the next five years at these average historic rates.

The USPTO forecasts the number of projected patent applications (*i.e.*, workload) for the next five years using a combination of historical data, economic analysis, and subject matter expertise. The USPTO estimates that utility, plant, and reissue (UPR) patent application filings will grow by 0.4% in FY 2024 and about 1.5% per year on average from FY 2025 to FY 2029. Design patent applications are forecast independently of UPR applications

because they exhibit different filing behaviors.

Using the estimated filings for the next five years, and the average historic rates of small entity filings, table 32 presents the USPTO’s estimates of the number of patent application filings by all applicants, including small and micro entities, over the next five fiscal years by application type.

The USPTO has previously undertaken an elasticity analysis to examine if fee adjustments may impact small entities and whether increases in fees would result in some such entities not submitting applications. Elasticity measures how sensitive demand for services by patent applicants and patentees is to fee changes. If elasticity is low enough (demand is *inelastic*),

then fee increases will not reduce patenting activity enough to negatively impact overall revenues. If elasticity is high enough (demand is *elastic*), then increasing fees will decrease patenting activity enough to decrease revenue. The USPTO analyzed elasticity at the overall filing level across all patent applicants with regard to entity size and estimated the potential impact to patent application filings across entities. Additional information about how the USPTO estimates elasticity is provided in “Setting and Adjusting Patent Fees during Fiscal Year 2020—Description of Elasticity Estimates,” available on the USPTO website at [https://www.uspto.gov/sites/default/files/documents/Elasticity\\_Appendix.docx](https://www.uspto.gov/sites/default/files/documents/Elasticity_Appendix.docx).

Table 32: Estimated Numbers of Patent Applications, FY 2024–29

		FY 2024 (Current)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Utility</b>	All	595,315	607,897	613,902	622,038	628,036	641,784
<b>Reissue</b>	All	640	660	680	700	700	700
<b>Plant</b>	All	860	860	860	860	860	860
<b>Design</b>	All	54,986	57,185	59,472	62,446	65,568	68,847
<b>Total</b>	All	651,801	666,602	674,914	686,044	695,164	712,191

5. A description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirement and type of professional skills necessary for preparation of the report or record.

When implemented, this rule will not change the burden of existing reporting and recordkeeping requirements for payment of fees. The current requirements for small and micro entities will continue to apply. Therefore, the professional skills necessary to file and prosecute an application through issue and maintenance remain unchanged under this rule. This action only adjusts patent fees and does not set procedures for asserting small entity status or certifying micro entity status, as previously discussed. There are no new compliance requirements in this rule.

The full fee schedule (see Part VII: Discussion of Specific Rules) is set forth in this final rule. The fee schedule sets or adjusts 433 patent fees in total, including 52 new fees.

6. A description of the steps the agency has taken to minimize the significant economic impact on small entities consistent with the stated objectives of applicable statutes, including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.

The USPTO considered several alternative approaches to this final rule, discussed below, including full cost recovery for individual services, an across-the-board adjustment to fees, and a baseline (current fee rates). The discussion here begins with a

description of the fee schedule adopted for this final rule. A full discussion of the costs and benefits of all four alternatives and the methodology used for that analysis is contained in the RIA, available at <https://www.uspto.gov/FeeSettingAndAdjusting>.

a. Alternative 1: Final Patent Fee Schedule—Setting and Adjusting Patent Fees During Fiscal Year 2025

The final patent fee schedule secures the USPTO’s required revenue to facilitate the effective administration of the U.S. patent system, including implementing the Strategic Plan. The revenue will allow the USPTO to continue to balance timely examination—to help innovators bring their ideas and products to impact more quickly and efficiently—with improvements in patent quality—particularly, the robustness and reliability of issued patents—and ensure the USPTO can resource mission

success. Adequate resources will benefit all applicants, including small and micro entities, without undue burden or barriers to entry to patent applicants and holders or reduced incentives to innovate. This alternative maintains small and micro entity discounts. Compared to the current fee schedule, there are no new small or micro entity fee codes being extended to existing undiscounted fee rates and none are being eliminated.

As discussed throughout this document, the fee changes in this alternative are moderate compared to other alternatives. Given that the final patent fee schedule will result in increased aggregate revenue, small and micro entities will pay higher fees when compared to the current fee schedule (Alternative 4).

In summary, the fees to obtain a patent will increase. All fees are subject to the 7.5% across-the-board adjustment. In addition to the across-the-board adjustment, some fees will be subject to a larger increase. For example, the fee rate for a first RCE will increase by 10%, and second and subsequent RCEs will increase by 43%, respectively. Also, AIA trial fees will increase 25% to better align the fee rates charged with the actual costs borne by the USPTO to provide these proceedings and so PTAB can continue to maintain the appropriate level of judicial and administrative resources to continue to provide high-quality and timely decisions for AIA trials.

Adjusting the patent fee schedule as prescribed in this alternative allows the USPTO to implement the patent-related strategic goals and objectives documented in the Strategic Plan and to carry out requirements as described in the FY 2025 Budget. Specifically, the revenue from this final patent fee schedule is sufficient to recover the aggregate estimated costs of patent operations and to support the strategic objectives to issue and maintain robust and reliable patents, improve patent application pendency, optimize the patent application process to enable efficiencies for applicants and other stakeholders, and enhance internal processes to prevent fraudulent and abusive behaviors that do not embody the USPTO's mission. The final patent fee schedule focuses on building resiliency against financial shocks by maintaining the minimum operating reserve balance (approximately one month of operating expenses) while building the operating reserve balance to the optimal reserve target (approximately three months of operating expenses). While the other alternatives discussed facilitate progress

toward some of the USPTO's goals, the final patent fee schedule is the only one that does so in a way that does not impose undue costs on patent applicants and holders.

The fee schedule under this final rule is available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>, in the document titled "Setting and Adjusting Patent Fees During Fiscal Year 2025–FRFA Tables."

#### b. Other Alternatives Considered

In addition to the final fee schedule set forth in Alternative 1, the USPTO considered three other alternative approaches. The agency calculated proposed fees and the resulting revenue derived from each alternative scenario. The proposed fees and their corresponding revenue tables are available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>. Only the fees outlined in Alternative 1 are set or adjusted in this final rule; other alternative scenarios are shown only to demonstrate the analysis of other options.

#### Alternative 2: Unit Cost Recovery

It is common practice in the Federal Government to set individual fees at a level sufficient to recover the cost of that single service. In fact, official guidance on user fees, as cited in OMB Circular A–25, "User Charges," states that user charges (fees) should be sufficient to recover the full cost to the Federal Government of providing the particular service, resource, or good when the government is acting in its capacity as sovereign.

As such, the USPTO considered setting most individual undiscounted fees at the historical cost of performing the activities related to the particular service in FY 2022. While more recent FY 2023 cost data is now available, for consistency with information presented in the NPRM, the agency continues to base the fee rates displayed under Alternative 2 in the FRFA and the RIA on FY 2022 unit cost data. The USPTO recognizes that using FY 2022 costs to set fee rates beginning in FY 2025 does not account for inflationary factors that would likely increase costs and necessitate higher fees in the out-years. However, the USPTO contends that the FY 2022 data is the best unit cost data available to inform this analysis.

There are several complexities in achieving individual fee unit cost recovery for the patent fee schedule. The most significant is the AIA

requirement to provide a 60% discount on fees to small entities and an 80% discount on fees to micro entities. To account for this requirement, this alternative retains existing small and micro entity discounts where eligible under AIA authority. To provide these discounts and still generate sufficient revenue to recover the anticipated budgetary requirements over the five-year period, maintenance fees must be set significantly above unit cost under this alternative. Note that the USPTO no longer collects activity-based information for maintenance fees, and previous year unit costs were negligible.

Except for maintenance fees, this alternative sets fees for which there is no FY 2022 cost data at current rates. For the small number of services that have a variable fee, the aggregate revenue table does not list a fee. Instead, for those services with an estimated workload, the workload is listed in dollars rather than units to develop revenue estimates. Fees without either a fixed fee rate or a workload estimate are assumed to provide zero revenue.

Alternative 2 does not align well with the agency's strategic and policy goals. Front-end services (*i.e.*, filing, search, and examination) are costlier for the USPTO to perform than back-end services (*i.e.*, issuance and maintenance), but both the current (the Baseline) and final patent fee schedule (Alternative 1) are structured to collect fees at filing below the cost and more fees further along in the process, when the patent owner has better information about a patent's value, rather than at the time of filing, when applicants are less certain about the value of their invention. Setting fees at the cost of the service under Alternative 2 would reverse the long-established policy to set front-end fees below cost to foster innovation and would create a barrier for entry into the patent system.

The USPTO has estimated the potential quantitative elasticity impacts for application filings (*e.g.*, filing, search, and examination fees), maintenance renewals (all three stages), and other major fee categories. Results of this analysis indicate that a high cost of entry into the patent system could lead to a significant decrease in the incentives to invest in innovative activities among all entities, especially for small and micro entities. Under the current fee schedule, maintenance fees subsidize all applications. By setting fees to recover the cost of each service at each point in the application process, the USPTO would effectively charge high fees for every patent application, meaning those applicants who have less information about the patentability of

their claims or the market value of their invention may be less likely to pursue patent prosecution. The ultimate effect of these changes in behavior is likely to stifle innovation. While the loss of the front-end subsidy designed to promote innovation strategies is the most obvious cost of this alternative, the impacts of much costlier patent processing options (e.g., RCEs and appeals) are also noticeable.

Similarly, the USPTO suspects that patent renewal rates could change as well, given fee reductions for maintenance fees at each of the three stages. While some innovators and firms may choose to file fewer applications given the higher front-end costs, others whose claims are allowed or upheld may seek to fully maximize the benefits of obtaining a patent by keeping those patents in force for longer than they would have previously (i.e., under the baseline). In the aggregate, patents that are maintained beyond their useful life weaken the IP system by slowing the rate of public accessibility and follow-on inventions, which is contrary to the USPTO's policy factor of promoting innovation strategies. In sum, this alternative is inadequate to accomplish the goals as stated in Part IV: Rulemaking Goals and Strategies of this rule.

The fee schedule for this alternative is available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>, in the document titled "Setting and Adjusting Patent Fees During Fiscal Year 2025—FRFA Tables."

#### Alternative 3: Across-the-Board Adjustment

In years past, the USPTO used its authority to adjust statutory fees annually according to increases in the consumer price index (CPI), which is a commonly used measure of inflation. Building on this prior approach and incorporating the additional authority under the AIA to set small and micro entity fees, Alternative 3 would set fees by applying a one-time 12.5%, across-the-board increase to the baseline (current fees) beginning in FY 2025. A 12.5% increase represents the change in revenue needed to achieve the aggregate revenue necessary to recover the aggregate estimated costs laid out in the FY 2025 Budget.

Under this alternative, nearly every existing fee would be increased, no new fees would be introduced, and no fees would be discontinued or reduced. This alternative maintains the status quo ratio of front-end and back-end fees, given that all fees would be adjusted by

the same escalation factor, thereby promoting innovation strategies and allowing applicants to gain access to the patent system through fees set below cost while patent holders pay issue and maintenance fees above cost to subsidize the below-cost front-end fees. Alternative 3 nevertheless fails to implement policy factors and deliver benefits beyond what exists in the Baseline fee schedule (e.g., no fee adjustments to offer new patent prosecution options or facilitate more effective administration of the patent system).

The fee schedule for this alternative is available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>, in the document titled "Setting and Adjusting Patent Fees During Fiscal Year 2025—FRFA Tables."

#### Alternative 4: Baseline (Current Fee Schedule)

The USPTO considered a no-action alternative. This alternative would retain the status quo, meaning that the USPTO would continue the small and micro entity discounts that the Congress provided in section 10 of the AIA, as amended by the UAIA, and maintain the fees that became effective on December 29, 2022.

Alternative 4 would not secure aggregate revenue to recover the aggregate estimated costs laid out in the FY 2025 Budget. Under this alternative, the USPTO would only expect to collect sufficient revenue to continue executing some, not all, of the patent priorities. For example, the USPTO plans to hire approximately 800 to 850 patent examiners in FY 2024 through FY 2025, and between 700 and 900 patent examiners in FY 2026 through FY 2029 (averaging 350 over estimated attrition levels) during the five-year planning horizon. This additional examination capacity will allow the agency to improve patent reliability and maintain patent term adjustment (PTA) compliance rates. Alternative 4 provides neither sufficient resources to hire the same number of examiners nor sufficient resources to continue building the patent operating reserve to its optimal level in the five-year planning horizon. In fact, current estimates project that under the Baseline fee schedule, the USPTO would withdraw funds from the patent operating reserve in every year until the reserve is exhausted during FY 2027. This approach would not provide sufficient aggregate revenue to accomplish the USPTO's rulemaking goals as stated in Part IV: Rulemaking Goals and

Strategies of this rule. IT improvements, progress on timely processing and quality, and other improvement activities would continue, but at a significantly slower rate as increases in core patent examination costs crowd out funding for other improvements. Likewise, without a fee increase, the USPTO would deplete its operating reserves, leaving the USPTO vulnerable to fiscal and economic events. This approach would expose core operations to unacceptable levels of financial risk and would position the USPTO to have to return to making inefficient, short-term funding decisions.

The fee schedule for this alternative is available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>, in the document titled "Setting and Adjusting Patent Fees During Fiscal Year 2025—FRFA Tables."

#### Alternatives Specified by the RFA

The RFA provides that an agency also consider four specified "alternatives" or approaches, namely: (i) establishing different compliance or reporting requirements or timetables that take into account the resources available to small entities; (ii) clarifying, consolidating, or simplifying compliance and reporting requirements under the rule for small entities; (iii) using performance rather than design standards; and (iv) exempting small entities from coverage of the rule or any part thereof. 5 U.S.C. 604(c). The USPTO discusses each of these specified alternatives or approaches below and describes how this final rule is adopting these approaches.

##### i. Differing Requirements

As discussed above, the changes in this final rule would continue existing fee discounts for small and micro entities that take into account the reduced resources available to them as well as offer new discounts when applicable under AIA authority. Specifically, micro entities would continue to receive an 80% reduction in most patent fees under this final rule, and small entities that do not qualify as micro entities would continue to receive a 60% reduction in most patent fees.

This final rule sets fee levels but does not set or alter procedural requirements for asserting small or micro entity status. Small entities must merely assert small entity status to pay reduced patent fees. The small entity may make this assertion by either checking a box on the transmittal form, "Applicant claims small entity status," or by paying the basic filing or basic national small entity



fee exactly. The process to claim micro entity status is similar in that eligible entities need only submit a written certification of their status prior to or at the time a reduced fee is paid. This final rule does not change any reporting requirements for any small or micro entity. For both small and micro entities, the burden to establish their status is nominal (making an assertion or submitting a certification) and the benefit of the fee reductions (60% for small entities and 80% for micro entities) is significant.

This final rule makes the best use of differing requirements for small and micro entities. It also makes the best use of the redesigned fee structure, as discussed further below.

#### ii. Clarification, Consolidation, or Simplification of Requirements

This final rule pertains to setting or adjusting patent fees. Any compliance or reporting requirements in this rule are de minimis and necessary to implement lower fees. Therefore, any clarifications, consolidations, or simplifications to compliance and reporting requirements for small entities are not applicable or would not achieve the objectives of this rulemaking.

#### iii. Performance Standards

Performance standards do not apply to this final rule.

#### iv. Exemption for Small and Micro Entities

This final rule maintains a 60% reduction in fees for small entities and an 80% reduction in fees for micro entities. The USPTO considered exempting small and micro entities from paying increased patent fees but determined that the USPTO would lack statutory authority for this approach. Section 10(b) of the AIA, as amended by the UAIA, provides that “fees set or adjusted under subsection (a) for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents *shall* be reduced by 60 percent [for small entities] and *shall* be reduced by 80 percent [for micro entities]” (emphasis added). Neither the AIA, UAIA, nor any other statute authorizes the USPTO to exempt small or micro entities, as a class of applicants, from paying increased patent fees.

#### C. Executive Order 12866 (Regulatory Planning and Review)

This final rule has been determined to be 3(f)(1) significant for purposes of Executive Order (E.O.) 12866 (Sept. 30, 1993), as amended by E.O. 14094 (April 6, 2023), Modernizing Regulatory

Review. The USPTO has developed an RIA as required for rulemakings deemed to be 3(f)(1) significant. The complete RIA is available on the fee setting section of the USPTO website at <https://www.uspto.gov/FeeSettingAndAdjusting>.

#### D. Executive Order 13563 (Improving Regulation and Regulatory Review)

The USPTO has complied with E.O. 13563 (Jan. 18, 2011). Specifically, the USPTO has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify the costs of the final rule; (2) tailored the final rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided online access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

#### E. Executive Order 13132 (Federalism)

This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under E.O. 13132 (Aug. 4, 1999).

#### F. Executive Order 13175 (Tribal Consultation)

This rulemaking will not: (1) have substantial direct effects on one or more Indian Tribes; (2) impose substantial direct compliance costs on Indian Tribal governments; or (3) preempt Tribal law. Therefore, a Tribal summary impact statement is not required under E.O. 13175 (Nov. 6, 2000).

#### G. Executive Order 13211 (Energy Effects)

This rulemaking is not a significant energy action under E.O. 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under E.O. 13211 (May 18, 2001).

#### H. Executive Order 12988 (Civil Justice Reform)

This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of E.O. 12988 (Feb. 5, 1996).

#### I. Executive Order 13045 (Protection of Children)

This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under E.O. 13045 (Apr. 21, 1997).

#### J. Executive Order 12630 (Taking of Private Property)

This rulemaking will not affect a taking of private property or otherwise have taking implications under E.O. 12630 (Mar. 15, 1988).

#### K. Congressional Review Act

Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), the USPTO will submit a report containing the rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this final rule are expected to result in an annual effect on the economy of \$100 million or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this final rule meets the criteria in 5 U.S.C. 804(2).

#### L. Unfunded Mandates Reform Act of 1995

The changes set forth in this rulemaking do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and Tribal governments, in the aggregate, of \$100 million (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of \$100 million (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 *et seq.*

#### M. National Environmental Policy Act

This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from

review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 *et seq.*

*N. National Technology Transfer and Advancement Act*

The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

*O. Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires that the USPTO consider the impact of paperwork and other information collection burdens imposed on the public. The collection of information involved in this final rule has been reviewed and previously approved by OMB under control numbers 0651-0012, 0651-0016, 0651-0017, 0651-0020, 0651-0021, 0651-0024, 0651-0027, 0651-0031, 0651-0032, 0651-0033, 0651-0034, 0651-0035, 0651-0059, 0651-0062, 0651-0063, 0651-0064, 0651-0069, 0651-0075 and 0651-0089. In addition, updates to the aforementioned information collections as a result of this final rule will be submitted to the OMB as non-substantive change requests.

Notwithstanding any other provision of law, no person is required to respond to nor shall any 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.

*P. E-Government Act Compliance*

The USPTO is committed to compliance with the E-Government Act to promote the use of the internet and other information technologies, to provide increased opportunities for citizen access to government information and services, and for other purposes.

**List of Subjects**

*37 CFR Part 1*

Administrative practice and procedure, Biologics, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

*37 CFR Part 41*

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

*37 CFR Part 42*

Administrative practice and procedure, Inventions and patents, Lawyers.

For the reasons set forth in the preamble, 37 CFR parts 1, 41, and 42 are amended as follows:

**PART 1—RULES OF PRACTICE IN PATENT CASES**

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

**Authority:** 35 U.S.C. 2(b)(2), unless otherwise noted.

■ 2. Section 1.16 is amended by revising the tables 1 through 19 in paragraphs (a) through (s) and table 21 in paragraph (u) to read as follows:

**§ 1.16 National application filing, search, and examination fees.**

(a) \* \* \*

TABLE 1 TO PARAGRAPH (a)

By a micro entity (§ 1.29) .....	\$70.00
By a small entity (§ 1.27(a)) .....	140.00
By a small entity (§ 1.27(a)) if the application is submitted in compliance with the USPTO electronic filing system (§ 1.27(b)(2)) .....	70.00
By other than a small or micro entity .....	350.00

(b) \* \* \*

TABLE 2 TO PARAGRAPH (b)

By a micro entity (§ 1.29) .....	\$60.00
By a small entity (§ 1.27(a)) .....	120.00
By other than a small or micro entity .....	300.00

(c) \* \* \*

TABLE 3 TO PARAGRAPH (c)

By a micro entity (§ 1.29) .....	\$48.00
By a small entity (§ 1.27(a)) .....	96.00
By other than a small or micro entity .....	240.00

(d) \* \* \*

TABLE 4 TO PARAGRAPH (d)

By a micro entity (§ 1.29) .....	\$65.00
By a small entity (§ 1.27(a)) .....	130.00
By other than a small or micro entity .....	325.00

(e) \* \* \*

TABLE 5 TO PARAGRAPH (e)

By a micro entity (§ 1.29) .....	\$70.00
By a small entity (§ 1.27(a)) .....	140.00

TABLE 5 TO PARAGRAPH (e)—Continued

By other than a small or micro entity .....	350.00
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(f) \* \* \*

TABLE 6 TO PARAGRAPH (f)

By a micro entity (§ 1.29) .....	\$34.00
By a small entity (§ 1.27(a)) .....	68.00
By other than a small or micro entity .....	170.00

(g) \* \* \*

TABLE 7 TO PARAGRAPH (g)

By a micro entity (§ 1.29) .....	\$13.00
By a small entity (§ 1.27(a)) .....	26.00
By other than a small or micro entity .....	65.00

(h) \* \* \*

TABLE 8 TO PARAGRAPH (h)

By a micro entity (§ 1.29) .....	\$120.00
By a small entity (§ 1.27(a)) .....	240.00
By other than a small or micro entity .....	600.00

(i) \* \* \*

TABLE 9 TO PARAGRAPH (i)

By a micro entity (§ 1.29) .....	\$40.00
By a small entity (§ 1.27(a)) .....	80.00
By other than a small or micro entity .....	200.00

(j) \* \* \*

TABLE 10 TO PARAGRAPH (j)

By a micro entity (§ 1.29) .....	\$185.00
By a small entity (§ 1.27(a)) .....	370.00
By other than a small or micro entity .....	925.00

(k) \* \* \*

TABLE 11 TO PARAGRAPH (k)

By a micro entity (§ 1.29) .....	\$154.00
By a small entity (§ 1.27(a)) .....	308.00
By other than a small or micro entity .....	770.00

(l) \* \* \*

TABLE 12 TO PARAGRAPH (l)

By a micro entity (§ 1.29) .....	\$60.00
By a small entity (§ 1.27(a)) .....	120.00
By other than a small or micro entity .....	300.00

(m) \* \* \*

TABLE 13 TO PARAGRAPH (m)

By a micro entity (§ 1.29) .....	\$97.00
By a small entity (§ 1.27(a)) .....	194.00
By other than a small or micro entity .....	485.00

(n) \* \* \*

TABLE 14 TO PARAGRAPH (n)

By a micro entity (§ 1.29) .....	\$154.00
By a small entity (§ 1.27(a)) .....	308.00
By other than a small or micro entity .....	770.00

(o) \* \* \*

TABLE 15 TO PARAGRAPH (o)

By a micro entity (§ 1.29) .....	\$176.00
By a small entity (§ 1.27(a)) .....	352.00
By other than a small or micro entity .....	880.00

(p) \* \* \*

TABLE 16 TO PARAGRAPH (p)

By a micro entity (§ 1.29) .....	\$140.00
By a small entity (§ 1.27(a)) .....	280.00
By other than a small or micro entity .....	700.00

(q) \* \* \*

TABLE 17 TO PARAGRAPH (q)

By a micro entity (§ 1.29) .....	\$145.00
By a small entity (§ 1.27(a)) .....	290.00
By other than a small or micro entity .....	725.00

(r) \* \* \*

TABLE 18 TO PARAGRAPH (r)

By a micro entity (§ 1.29) .....	\$510.00
By a small entity (§ 1.27(a)) .....	1,020.00
By other than a small or micro entity .....	2,550.00

(s) \* \* \*

TABLE 19 TO PARAGRAPH (s)

By a micro entity (§ 1.29) .....	\$90.00
By a small entity (§ 1.27(a)) .....	180.00
By other than a small or micro entity .....	450.00

\* \* \* \* \*

(u) \* \* \*

TABLE 21 TO PARAGRAPH (u)

By a micro entity (§ 1.29) .....	\$86.00
By a small entity (§ 1.27(a)) .....	172.00
By other than a small or micro entity .....	430.00

- 3. Section 1.17 is amended by:
  - a. Revising paragraph (a) introductory text;
  - b. Revising tables 1 through 10 in paragraphs (a)(1) through (5), (c), (d), (e)(1) and (2), and (f);
  - c. Revising paragraph (g);
  - d. Redesignating tables 12 through 15 in paragraphs (h), (i)(1) and (2), and (k) as tables 14 through 17 to paragraphs (h), (i)(1) and (2), and (k) and revising them;
  - e. Revising paragraph (m);
  - f. Redesignating tables 17 and 18 in paragraphs (o) and (p) as table 21 and 22 to paragraphs (o) and (p) and revising them;
  - g. Revising paragraph (q);
  - h. Redesignating tables 19 through 21 in paragraphs (r) through (t) as tables 23 through 25 to paragraphs (r) through (t) and revising them; and
  - i. Adding paragraphs (u) through (w).
 The revisions and additions read as follows:

**§ 1.17 Patent application and reexamination processing fees.**

(a) Extension fees pursuant to § 1.136(a), except in provisional applications filed under § 1.53(c):  
(1) \* \* \*

TABLE 1 TO PARAGRAPH (a)(1)

By a micro entity (§ 1.29) .....	\$47.00
By a small entity (§ 1.27(a)) .....	94.00
By other than a small or micro entity .....	235.00

(2) \* \* \*

TABLE 2 TO PARAGRAPH (a)(2)

By a micro entity (§ 1.29) .....	\$138.00
By a small entity (§ 1.27(a)) .....	276.00
By other than a small or micro entity .....	690.00

(3) \* \* \*

TABLE 3 TO PARAGRAPH (a)(3)

By a micro entity (§ 1.29) .....	\$318.00
By a small entity (§ 1.27(a)) .....	636.00
By other than a small or micro entity .....	1,590.00

(4) \* \* \*

TABLE 4 TO PARAGRAPH (a)(4)

By a micro entity (§ 1.29) .....	\$499.00
By a small entity (§ 1.27(a)) .....	998.00
By other than a small or micro entity .....	2,495.00

(5) \* \* \*

TABLE 5 TO PARAGRAPH (a)(5)

By a micro entity (§ 1.29) .....	\$679.00
By a small entity (§ 1.27(a)) .....	1,358.00
By other than a small or micro entity .....	3,395.00

\* \* \* \* \*

(c) \* \* \*

TABLE 6 TO PARAGRAPH (c)

By a micro entity (§ 1.29) .....	\$903.00
By a small entity (§ 1.27(a)) .....	1,806.00
By other than a small or micro entity .....	4,515.00

(d) \* \* \*

TABLE 7 TO PARAGRAPH (d)

By a micro entity (§ 1.29) .....	\$138.00
By a small entity (§ 1.27(a)) .....	276.00
By other than a small or micro entity .....	690.00

(e) \* \* \*

(1) \* \* \*

TABLE 8 TO PARAGRAPH (e)(1)

By a micro entity (§ 1.29) .....	\$300.00
By a small entity (§ 1.27(a)) .....	600.00
By other than a small or micro entity .....	1,500.00

(2) \* \* \*

TABLE 9 TO PARAGRAPH (e)(2)

By a micro entity (§ 1.29) .....	\$572.00
By a small entity (§ 1.27(a)) .....	1,144.00
By other than a small or micro entity .....	2,860.00

(f) \* \* \*

TABLE 10 TO PARAGRAPH (f)

By a micro entity (§ 1.29) .....	\$90.00
By a small entity (§ 1.27(a)) .....	180.00
By other than a small or micro entity .....	450.00

**Note 1 to table 10 to paragraph (f):**

- 1.36(a)—for revocation of a power of attorney by fewer than all of the applicants. § 1.53(e)—to accord a filing date.
- § 1.182—to decision on a question not specifically provided for in an application for patent.
- § 1.183—to suspend the rules in an application for patent.
- § 1.741(b)—to accord a filing date to an application under § 1.740 for extension of a patent term.
- § 1.1023—to review the filing date of an international design application.

(g)(1) For filing a petition under one of the following sections which refers to this paragraph (g):

TABLE 11 TO PARAGRAPH (g)(1)

By a micro entity (§ 1.29) .....	\$47.00
By a small entity (§ 1.27(a)) .....	94.00
By other than a small or micro entity .....	235.00

**Note 2 to table 11 to paragraph (g)(1):**

§ 1.12—for access to an assignment record.  
 § 1.14—for access to an application.  
 § 1.46—for filing an application on behalf of an inventor by a person who otherwise shows sufficient proprietary interest in the matter.  
 § 1.55(f)—for filing a belated certified copy of a foreign application.  
 § 1.55(g)—for filing a belated certified copy of a foreign application.  
 § 1.57(a)—for filing a belated certified copy of a foreign application.  
 § 1.59—for expungement of information.  
 § 1.136(b)—for review of a request for extension of time when the provisions of § 1.136(a) are not available.  
 § 1.377—for review of decision refusing to accept and record payment of a maintenance fee filed prior to expiration of a patent.  
 § 1.550(c)—for patent owner requests for extension of time in *ex parte* reexamination proceedings.  
 § 1.956—for patent owner requests for extension of time in *inter partes* reexamination proceedings.  
 § 5.12 of this chapter—for expedited handling of a foreign filing license.  
 § 5.15 of this chapter—for changing the scope of a license.  
 § 5.25 of this chapter—for retroactive license.

(2) For filing a petition to suspend action in an application under § 1.103(a):

(i) For filing a first request for suspension pursuant to § 1.103(a) in an application:

TABLE 12 TO PARAGRAPH (g)(2)(i)

By a micro entity (§ 1.29) .....	\$60.00
By a small entity (§ 1.27(a)) .....	120.00
By other than a small or micro entity .....	300.00

(ii) For filing a second or subsequent request for suspension pursuant to § 1.103(a) in an application:

TABLE 13 TO PARAGRAPH (g)(2)(ii)

By a micro entity (§ 1.29) .....	\$90.00
By a small entity (§ 1.27(a)) .....	180.00
By other than a small or micro entity .....	450.00

(h) \* \* \*

TABLE 14 TO PARAGRAPH (h)

By a micro entity (§ 1.29) .....	\$30.00
By a small entity (§ 1.27(a)) .....	60.00
By other than a small or micro entity .....	150.00

**Note 3 to table 14 to paragraph (h):**

1.84—for accepting color drawings or photographs.  
 § 1.91—for entry of a model or exhibit.  
 § 1.102(d)—to make an application special.  
 § 1.138(c)—to expressly abandon an application to avoid publication.  
 § 1.313—to withdraw an application from issue.  
 § 1.314—to defer issuance of a patent.  
 (i) \* \* \*  
 (1) \* \* \*

TABLE 15 TO PARAGRAPH (i)(1)

By a micro entity (§ 1.29) .....	\$30.00
By a small entity (§ 1.27(a)) .....	60.00
By other than a small or micro entity .....	150.00

**Note 4 to table 15 to paragraph (i)(1):**

§ 1.28(c)(3)—for processing a non-itemized fee deficiency based on an error in small entity status.  
 § 1.29(k)(3)—for processing a non-itemized fee deficiency based on an error in micro entity status.  
 § 1.41(b)—for supplying the name or names of the inventor or joint inventors in an application without either an application data sheet or the inventor's oath or declaration, except in provisional applications.  
 § 1.48—for correcting inventorship, except in provisional applications.  
 § 1.52(d)—for processing a nonprovisional application filed with a specification in a language other than English.  
 § 1.53(c)(3)—to convert a provisional application filed under § 1.53(c) into a nonprovisional application under § 1.53(b).  
 § 1.71(g)(2)—for processing a belated amendment under § 1.71(g).  
 § 1.102(e)—for requesting prioritized examination of an application.  
 § 1.103(b)—for requesting limited suspension of action, continued prosecution application for a design patent (§ 1.53(d)).  
 § 1.103(c)—for requesting limited suspension of action, request for continued examination (§ 1.114).  
 § 1.103(d)—for requesting deferred examination of an application.  
 § 1.291(c)(5)—for processing a second or subsequent protest by the same real party in interest.  
 § 3.81 of this chapter—for a patent to issue to assignee, assignment submitted after payment of the issue fee.  
 (2) \* \* \*

TABLE 16 TO PARAGRAPH (i)(2)

By a micro entity (§ 1.29) .....	\$151.00
By a small entity (§ 1.27(a)) .....	151.00
By other than a small or micro entity .....	151.00

**Note 5 to table 16 to paragraph (i)(2):**

§ 1.217—for processing a redacted copy of a paper submitted in the file of an application in which a redacted copy was submitted for the patent application publication.  
 § 1.221—for requesting voluntary publication or republication of an application.  
 \* \* \* \* \*

(k) \* \* \*

TABLE 17 TO PARAGRAPH (k)

By a micro entity (§ 1.29) .....	\$344.00
By a small entity (§ 1.27(a)) .....	688.00

TABLE 17 TO PARAGRAPH (k)—  
Continued

By other than a small or micro entity .....	1,720.00
---	----------

\* \* \* \* \*

(m)(1) For filing a petition under one of the following sections which refers to this paragraph (m), when the petition is filed more than two years after the date when the required action was due:

TABLE 18 TO PARAGRAPH (m)(1)

By a micro entity (§ 1.29) .....	\$600.00
By a small entity (§ 1.27(a)) .....	1,200.00
By other than a small or micro entity .....	3,000.00

**Note 6 to table 18 to paragraph (m)(1):**

§ 1.55(e)—for the delayed submission of a priority claim, when the petition is filed more than two years after the date when the priority claim was due.  
 § 1.78(c) or (e)—for the delayed submission of a benefit claim, when the petition is filed more than two years after the date when the benefit claim was due.  
 § 1.137—for filing a petition for the revival of an abandoned application for a patent, or for the delayed payment of the fee for issuing each patent, when the petition is filed more than two years after the abandonment of the application.  
 § 1.137—for filing a petition for the revival of a reexamination proceeding that was terminated or limited due to a delayed response by the patent owner, when the petition is filed more than two years after the termination or limitation of the reexamination proceeding.  
 § 1.378—for filing a petition to accept a delayed payment of the fee for maintaining a patent in force, when the petition is filed more than two years after the patent expiration date.  
 § 1.1051—for filing a petition to excuse an applicant's failure to act within prescribed time limits in an international design application, when the petition is filed more than two years after the abandonment of the application.

(2) For filing a petition under § 1.55(e), § 1.78(c), § 1.78(e), § 1.137, § 1.1051, or § 1.378, when the petition is filed before the time period specified in paragraph (m)(1) of this section:

TABLE 19 TO PARAGRAPH (m)(2)

By a micro entity (§ 1.29) .....	\$452.00
By a small entity (§ 1.27(a)) .....	904.00
By other than a small or micro entity .....	2,260.00

(3) For filing a petition under § 1.55(c), § 1.78(b), or § 1.452 for the extension of the 12-month (six-month for designs) period for filing a subsequent application:

TABLE 20 TO PARAGRAPH (m)(3)

By a micro entity (§ 1.29) .....	\$452.00
By a small entity (§ 1.27(a)) .....	904.00
By other than a small or micro entity .....	2,260.00

(o) \* \* \*

TABLE 21 TO PARAGRAPH (o)

By a small entity (§ 1.27(a)) or micro entity (§ 1.29) .....	\$78.00
By other than a small or micro entity .....	195.00

(p) \* \* \*

TABLE 22 TO PARAGRAPH (p)

By a micro entity (§ 1.29) .....	\$56.00
By a small entity (§ 1.27(a)) .....	112.00
By other than a small or micro entity .....	280.00

(q) Processing fee for taking action under one of the following sections which refers to this paragraph (q): \$54.00.

(1) Section 1.41—to supply the name or names of the inventor or inventors after the filing date without a cover sheet as prescribed by § 1.51(c)(1) in a provisional application.

(2) Section 1.48—for correction of inventorship in a provisional application.

(3) Section 1.53(c)(2)—to convert a nonprovisional application filed under § 1.53(b) to a provisional application under § 1.53(c).

(r) \* \* \*

TABLE 23 TO PARAGRAPH (r)

By a micro entity (§ 1.29) .....	\$189.00
By a small entity (§ 1.27(a)) .....	378.00
By other than a small or micro entity .....	945.00

(s) \* \* \*

TABLE 24 TO PARAGRAPH (s)

By a micro entity (§ 1.29) .....	\$189.00
By a small entity (§ 1.27(a)) .....	378.00
By other than a small or micro entity .....	945.00

(t) \* \* \*

TABLE 25 TO PARAGRAPH (t)

By a micro entity (§ 1.29) .....	\$39.00
By a small entity (§ 1.27(a)) .....	78.00
By other than a small or micro entity .....	195.00

(u) Extension fees pursuant to § 1.136(a) in provisional applications filed under § 1.53(c):

(1) For reply within first month:

TABLE 26 TO PARAGRAPH (u)(1)

By a micro entity (§ 1.29) .....	\$10.00
By a small entity (§ 1.27(a)) .....	20.00

TABLE 26 TO PARAGRAPH (u)(1)—Continued

By other than a small or micro entity .....	50.00
---	-------

(2) For reply within second month:

TABLE 27 TO PARAGRAPH (u)(2)

By a micro entity (§ 1.29) .....	\$20.00
By a small entity (§ 1.27(a)) .....	40.00
By other than a small or micro entity .....	100.00

(3) For reply within third month:

TABLE 28 TO PARAGRAPH (u)(3)

By a micro entity (§ 1.29) .....	\$40.00
By a small entity (§ 1.27(a)) .....	80.00
By other than a small or micro entity .....	200.00

(4) For reply within fourth month:

TABLE 29 TO PARAGRAPH (u)(4)

By a micro entity (§ 1.29) .....	\$80.00
By a small entity (§ 1.27(a)) .....	160.00
By other than a small or micro entity .....	400.00

(5) For reply within fifth month:

TABLE 30 TO PARAGRAPH (u)(5)

By a micro entity (§ 1.29) .....	\$160.00
By a small entity (§ 1.27(a)) .....	320.00
By other than a small or micro entity .....	800.00

(v) Information disclosure statement size fee for an information disclosure statement filed under § 1.97 that, inclusive of the number of applicant-provided or patent owner-provided items of information listed under § 1.98(a)(1) on the information disclosure statement, causes the cumulative number of applicant-provided or patent owner-provided items of information under § 1.98(a)(1) during the pendency of the application or reexamination proceeding to:

- (1) Exceed 50 but not exceed 100. . . . \$200;
- (2) Exceed 100 but not exceed 200. . . . \$500, less any amount previously paid under paragraph (v)(1) of this section; and
- (3) Exceed 200. . . . \$800, less any amounts previously paid under paragraphs (v)(1) and/or (2) of this section.

(w) Additional fee for presenting a benefit claim in a nonprovisional application under 35 U.S.C. 120, 121, 365(c), or 386(c) and § 1.78(d):

(1) When the actual filing date of the nonprovisional application in which the benefit claim is presented is more than

six years and no more than nine years from the earliest filing date for which benefit is claimed under 35 U.S.C. 120, 121, 365(c), or 386(c) and § 1.78(d):

TABLE 31 TO PARAGRAPH (w)(1)

By a micro entity (§ 1.29) .....	\$540.00
By a small entity (§ 1.27(a)) .....	1,080.00
By other than a small or micro entity .....	2,700.00

(2) When the actual filing date of the nonprovisional application in which the benefit claim is presented is more than nine years from the earliest filing date for which benefit is claimed under 35 U.S.C. 120, 121, 365(c), or 386(c) and § 1.78(d), the amount shown in this paragraph is due, less any amount previously paid under paragraph (w)(1) of this section:

TABLE 32 TO PARAGRAPH (w)(2)

By a micro entity (§ 1.29) .....	\$800.00
By a small entity (§ 1.27(a)) .....	1,600.00
By other than a small or micro entity .....	4,000.00

- 4. Section 1.18 is amended by:
  - a. Revising tables 1 through 3 in paragraphs (a), (b)(1), and (c); and
  - b. Revising paragraphs (d)(2) and (3), (e), and (f).

The revisions read as follows:

**§ 1.18 Patent post allowance (including issue) fees.**

(a) \* \* \*

TABLE 1 TO PARAGRAPH (a)

By a micro entity (§ 1.29) .....	\$258.00
By a small entity (§ 1.27(a)) .....	516.00
By other than a small or micro entity .....	1,290.00

(b)(1) \* \* \*

TABLE 2 TO PARAGRAPH (b)(1)

By a micro entity (§ 1.29) .....	\$260.00
By a small entity (§ 1.27(a)) .....	520.00
By other than a small or micro entity .....	1,300.00

\* \* \*

(c) \* \* \*

TABLE 3 TO PARAGRAPH (c)

By a micro entity (§ 1.29) .....	\$181.00
By a small entity (§ 1.27(a)) .....	362.00
By other than a small or micro entity .....	905.00

(d) \* \* \*

(2) Publication fee before January 1, 2014: \$320.00.

(3) Republication fee (§ 1.221(a)): \$344.00.  
 (e) For filing an application for patent term adjustment under § 1.705: \$226.00  
 (f) For filing a request for reinstatement of all or part of the term reduced pursuant to § 1.704(b) in an application for patent term adjustment under § 1.705: \$452.00.

■ 5. Section 1.19 is amended by revising paragraphs (a)(2), (b)(1)(i)(A), (B), and (D), (b)(1)(ii)(A) and (B), (b)(3) and (4), and (f) to read as follows:

**§ 1.19 Document supply fees.**

\* \* \* \* \*

(a) \* \* \*  
 (2) Printed copy of a plant patent in color: \$16.00.

\* \* \* \* \*

(b) \* \* \*  
 (1) \* \* \*  
 (i) \* \* \*

(A) Application as filed: \$38.00.  
 (B) Copy Patent File Wrapper, Paper Medium, Any Number of Sheets: \$312.00.

\* \* \* \* \*

(D) Individual application documents, other than application as filed, per document: \$27.00.

(ii) \* \* \*  
 (A) Application as filed: \$38.00.  
 (B) Copy Patent File Wrapper, Electronic, Any Medium, Any Size: \$65.00.

\* \* \* \* \*

(3) Copy of Office records, except copies available under paragraph (b)(1) or (2) of this section: \$27.00.

(4) For assignment records, abstract of title and certification, per patent: \$38.00.

\* \* \* \* \*

(f) Uncertified copy of a non-United States patent document, per document: \$27.00.

\* \* \* \* \*

■ 6. Section 1.20 is amended by:  
 ■ a. Revising paragraphs (a) and (b);  
 ■ b. Revising tables 1 through 5 in paragraphs (c)(1)(i) through (c)(4) and (c)(6);  
 ■ c. Revising paragraph (d);  
 ■ d. Revising tables 7 through 10 in paragraphs (e) through (h);  
 ■ e. Revising paragraph (j); and  
 ■ f. Redesignating tables 12 through 15 in paragraphs (k)(1) and (2) and (k)(3)(i) and (ii) as tables 11 through 14 in paragraphs (k)(1) and (2) and (k)(3)(i) and (ii) and revising them.

The revisions read as follows:

**§ 1.20 Post-issuance fees.**

(a) For providing a certificate of correction for an applicant's mistake (§ 1.323): \$172.00.

(b) Processing fee for correcting inventorship in a patent (§ 1.324): \$172.00.

(c) \* \* \*  
 (1)(i) \* \* \* \* \*

**TABLE 1 TO PARAGRAPH (c)(1)(i)**

By a micro entity (§ 1.29) .....	\$1,355.00
By a small entity (§ 1.27(a)) .....	2,710.00
By other than a small or micro entity .....	6,775.00

\* \* \* \* \*

(2) \* \* \*

**TABLE 2 TO PARAGRAPH (c)(2)**

By a micro entity (§ 1.29) .....	\$2,709.00
By a small entity (§ 1.27(a)) .....	5,418.00
By other than a small or micro entity .....	13,545.00

(3) \* \* \*

**TABLE 3 TO PARAGRAPH (c)(3)**

By a micro entity (§ 1.29) .....	\$120.00
By a small entity (§ 1.27(a)) .....	240.00
By other than a small or micro entity .....	600.00

(4) \* \* \*

**TABLE 4 TO PARAGRAPH (c)(4)**

By a micro entity (§ 1.29) .....	\$40.00
By a small entity (§ 1.27(a)) .....	80.00
By other than a small or micro entity .....	200.00

\* \* \* \* \*

(6) \* \* \*

**TABLE 5 TO PARAGRAPH (c)(6)**

By a micro entity (§ 1.29) .....	\$439.00
By a small entity (§ 1.27(a)) .....	878.00
By other than a small or micro entity .....	2,195.00

\* \* \* \* \*

(d) For filing each statutory disclaimer (§ 1.321): \$183.00.

(e) \* \* \*

**TABLE 7 TO PARAGRAPH (e)**

By a micro entity (§ 1.29) .....	\$430.00
By a small entity (§ 1.27(a)) .....	860.00
By other than a small or micro entity .....	2,150.00

(f) \* \* \*

**TABLE 8 TO PARAGRAPH (f)**

By a micro entity (§ 1.29) .....	\$808.00
By a small entity (§ 1.27(a)) .....	1,616.00
By other than a small or micro entity .....	4,040.00

(g) \* \* \*

**TABLE 9 TO PARAGRAPH (g)**

By a micro entity (§ 1.29) .....	\$1,656.00
By a small entity (§ 1.27(a)) .....	3,312.00
By other than a small or micro entity .....	8,280.00

(h) \* \* \*

**TABLE 10 TO PARAGRAPH (h)**

By a micro entity (§ 1.29) .....	\$108.00
By a small entity (§ 1.27(a)) .....	216.00
By other than a small or micro entity .....	540.00

\* \* \* \* \*

(j) For filing an application for extension of the term of a patent:  
 (1) Application for extension under § 1.740: \$2,500.00.  
 (2) Initial application for interim extension under § 1.790: \$1,320.00.

(3) Subsequent application for interim extension under § 1.790: \$680.00.  
 (4) Requesting supplemental redetermination after notice of final determination: \$1,440.00.

(k) \* \* \*  
 (1) \* \* \*

**TABLE 11 TO PARAGRAPH (k)(1)**

By a micro entity (§ 1.29) .....	\$993.00
By a small entity (§ 1.27(a)) .....	1,986.00
By other than a small or micro entity .....	4,965.00

(2) \* \* \*

**TABLE 12 TO PARAGRAPH (k)(2)**

By a micro entity (§ 1.29) .....	\$2,731.00
By a small entity (§ 1.27(a)) .....	5,462.00
By other than a small or micro entity .....	13,655.00

(3) \* \* \*

(i) \* \* \*

**TABLE 13 TO PARAGRAPH (k)(3)(i)**

By a micro entity (§ 1.29) .....	\$39.00
By a small entity (§ 1.27(a)) .....	78.00
By other than a small or micro entity .....	195.00

(ii) \* \* \*

**TABLE 14 TO PARAGRAPH (k)(3)(ii)**

By a micro entity (§ 1.29) .....	\$65.00
By a small entity (§ 1.27(a)) .....	130.00
By other than a small or micro entity .....	325.00

■ 7. Section 1.21 is amended by:

■ a. Revising paragraphs (a)(1)(i), (a)(1)(ii)(A), (a)(1)(iii) and (iv), (a)(2)(i)

and (ii), (a)(4)(i) and (ii), (a)(5)(i) and (ii), (a)(6)(ii), (a)(9)(i) and (ii), (a)(10), (e), (h)(2), (i), and (n);

■ b. Revising tables 1 and 2 in paragraphs (o)(1) and (2); and

■ c. Revising paragraphs (p) and (q).

The revisions read as follows:

**§ 1.21 Miscellaneous fees and charges.**

\* \* \* \* \*

(a) \* \* \*

(l) \* \* \*

(i) Application Fee (non-refundable): \$118.00.

(ii) \* \* \*

(A) For test administration by commercial entity: \$226.00.

\* \* \* \* \*

(iii) For USPTO-administered review of registration examination: \$505.00.

(iv) Request for extension of time in which to schedule examination for registration to practice (non-refundable): \$124.00.

(2) \* \* \*

(i) On registration to practice under § 11.6 of this chapter: \$226.00.

(ii) On grant of limited recognition under § 11.9(b) of this chapter: \$226.00.

\* \* \* \* \*

(4) \* \* \*

(i) Standard: \$43.00.

(ii) Suitable for framing: \$54.00.

(5) \* \* \*

(i) By the Director of Enrollment and Discipline under § 11.2(c) of this chapter: \$452.00.

(ii) Of the Director of Enrollment and Discipline under § 11.2(d) of this chapter: \$452.00.

(6) \* \* \*

(ii) For USPTO-assisted change of address: \$75.00.

\* \* \* \* \*

(9) \* \* \*

(i) Delinquency fee: \$54.00.

(ii) Administrative reinstatement fee: \$226.00.

(10) On application by a person for recognition or registration after disbarment or suspension on ethical grounds, or resignation pending disciplinary proceedings in any other jurisdiction; on application by a person for recognition or registration who is asserting rehabilitation from prior conduct that resulted in an adverse decision in the Office regarding the person's moral character; on application by a person for recognition or registration after being convicted of a felony or crime involving moral turpitude or breach of fiduciary duty; and on petition for reinstatement by a person excluded or suspended on ethical grounds, or excluded on consent from practice before the Office: \$1,806.00.

\* \* \* \* \*

(e) International type search reports: For preparing an international type search report of an international type search made at the time of the first action on the merits in a national patent application: \$43.00

\* \* \* \* \*

(h) \* \* \*

(2) If not submitted electronically: \$54.00

(i) Publication in Official Gazette: For publication in the Official Gazette of a notice of the availability of an application or a patent for licensing or sale: Each application or patent: \$27.00.

\* \* \* \* \*

(n) For handling an application in which proceedings are terminated pursuant to § 1.53(e): \$151.00.

(o) \* \* \*

(1) \* \* \*

TABLE 1 TO PARAGRAPH (O)(1)

By a micro entity (§ 1.29) .....	\$228.00
By a small entity (§ 1.27(a)) .....	456.00
By other than a small or micro entity .....	1,140.00

(2) \* \* \*

TABLE 2 TO PARAGRAPH (O)(2)

By a micro entity (§ 1.29) .....	\$2,258.00
By a small entity (§ 1.27(a)) .....	4,516.00
By other than a small or micro entity .....	11,290.00

(p) Additional Fee for Overnight Delivery: \$43.00.

(q) Additional fee for expedited service: \$183.00.

■ 8. Section 1.78 is amended by revising paragraphs (d)(3)(i) and (e)(2) to read as follows:

**§ 1.78 Claiming benefit of earlier filing date and cross-references to other applications.**

\* \* \* \* \*

(d) \* \* \*

(3)(i) The reference required by 35 U.S.C. 120 and paragraph (d)(2) of this section, and the applicable fee set forth in § 1.17(w), must be submitted during the pendency of the later-filed application.

\* \* \* \* \*

(e) \* \* \*

(2) The petition fee as set forth in § 1.17(m), and the applicable fee set forth in § 1.17(w); and

\* \* \* \* \*

■ 9. Section 1.97 is amended by revising paragraph (a) to read as follows:

**§ 1.97 Filing of information disclosure statement.**

(a) In order for an applicant for a patent or for a reissue of a patent to have

an information disclosure statement in compliance with § 1.98 considered by the Office during the pendency of the application, the information disclosure statement must satisfy one of paragraph (b), (c), or (d) of this section and be accompanied by any applicable information disclosure statement size fee under § 1.17(v).

\* \* \* \* \*

■ 10. Section 1.98 is amended by revising paragraph (a) introductory text and adding paragraph (a)(4) to read as follows:

**§ 1.98 Content of information disclosure statement.**

(a) Any information disclosure statement filed under § 1.97 shall include the items listed in paragraphs (a)(1) through (4) of this section.

\* \* \* \* \*

(4) A clear written assertion that the information disclosure statement is accompanied by the applicable information disclosure statement size fee under § 1.17(v) or a clear written assertion that no information disclosure statement size fee under § 1.17(v) is required.

\* \* \* \* \*

■ 11. Section 1.136 is amended by revising paragraph (a)(1) introductory text to read as follows:

**§ 1.136 Extensions of time.**

(a)(1) If an applicant is required to reply within a nonstatutory or shortened statutory time period, applicant may extend the time period for reply up to the earlier of the expiration of any maximum period set by statute or five months after the time period set for reply, if a petition for an extension of time and the fee set in § 1.17(a) or (u) are filed, unless:

\* \* \* \* \*

■ 12. Section 1.138 is amended by revising paragraph (d) to read as follows:

**§ 1.138 Express abandonment.**

\* \* \* \* \*

(d) An applicant seeking to abandon an application filed under 35 U.S.C. 111(a) and § 1.53(b) on or after December 8, 2004, or a national stage application under 35 U.S.C. 371 in which the basic national fee was paid on or after December 8, 2004 to obtain a refund of the search fee and excess claims fee paid in the application, must submit a declaration of express abandonment by way of a petition under this paragraph before an examination has been made of the application. The date indicated on any certificate of mailing or transmission under § 1.8 will

not be taken into account in determining whether a petition under this paragraph (d) was filed before an examination has been made of the application. Refunds under this paragraph are limited to the search fees and excess claims fees set forth in §§ 1.16 and 1.492. If a request for refund of the search fee and excess claims fee paid in the application is not filed with the declaration of express abandonment under this paragraph or within two months from the date on which the declaration of express abandonment under this paragraph was filed, the Office may retain the entire search fee and excess claims fee paid in the application. This two-month period is not extendable. If a petition and declaration of express abandonment under this paragraph are not filed before an examination has been made of the application, the Office will not refund any part of the search fee and excess claims fee paid in the application except as provided in § 1.26.

■ 13. Section 1.445 is amended by revising and republishing paragraph (a) to read as follows:

**§ 1.445 International application filing, processing and search fees.**

(a) The following fees and charges for international applications are established by law or by the director under the authority of 35 U.S.C. 376:

(1) A transmittal fee (see 35 U.S.C. 361(d) and PCT Rule 14) consisting of:

(i) A basic portion:  
(A) For an international application having a receipt date that is on or after January 19, 2025:

TABLE 1 TO PARAGRAPH (a)(1)(i)(A)

By a micro entity (§ 1.29) .....	\$57.00
By a small entity (§ 1.27(a)) .....	114.00
By other than a small or micro entity .....	285.00

(B) For an international application having a receipt date that is on or after December 29, 2022, and before January 19, 2025:

TABLE 2 TO PARAGRAPH (a)(1)(i)(B)

By a micro entity (§ 1.29) .....	\$52.00
By a small entity (§ 1.27(a)) .....	104.00
By other than a small or micro entity .....	260.00

(C) For an international application having a receipt date that is on or after October 2, 2020, and before December 29, 2022:

TABLE 3 TO PARAGRAPH (a)(1)(i)(C)

By a micro entity (§ 1.29) .....	\$65.00
----------------------------------	---------

TABLE 3 TO PARAGRAPH (a)(1)(i)(C)—  
Continued

By a small entity (§ 1.27(a)) .....	130.00
By other than a small or micro entity .....	260.00

(D) For an international application having a receipt date that is on or after January 1, 2014, and before October 2, 2020:

TABLE 4 TO PARAGRAPH (a)(1)(i)(D)

By a micro entity (§ 1.29) .....	\$60.00
By a small entity (§ 1.27(a)) .....	120.00
By other than a small or micro entity .....	240.00

(E) For an international application having a receipt date that is before January 1, 2014: \$240.00.

(ii) A non-electronic filing fee portion for any international application designating the United States of America that is filed on or after November 15, 2011, other than by the USPTO patent electronic filing system, except for a plant application:

TABLE 5 TO PARAGRAPH (a)(1)(ii)

By a small entity (§ 1.27(a)) .....	\$200
By other than a small entity .....	400.00

(2) A search fee (see 35 U.S.C. 361(d) and PCT Rule 16):

(i) For an international application having a receipt date that is on or after January 19, 2025:

TABLE 6 TO PARAGRAPH (a)(2)(i)

By a micro entity (§ 1.29) .....	\$480.00
By a small entity (§ 1.27(a)) .....	960.00
By other than a small or micro entity .....	2,400.00

(ii) For an international application having a receipt date that is on or after April 1, 2023, and before January 19, 2025:

TABLE 7 TO PARAGRAPH (a)(2)(ii)

By a micro entity (§ 1.29) .....	\$436.00
By a small entity (§ 1.27(a)) .....	872.00
By other than a small or micro entity .....	2,180.00

(iii) For an international application having a receipt date that is on or after October 2, 2020, and before April 1, 2023:

TABLE 8 TO PARAGRAPH (a)(2)(iii)

By a micro entity (§ 1.29) .....	\$545.00
By a small entity (§ 1.27(a)) .....	1,090.00

TABLE 8 TO PARAGRAPH (a)(2)(iii)—  
Continued

By other than a small or micro entity .....	2,180.00
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(iv) For an international application having a receipt date that is on or after January 1, 2014, and before October 2, 2020:

TABLE 9 TO PARAGRAPH (a)(2)(iv)

By a micro entity (§ 1.29) .....	\$520.00
By a small entity (§ 1.27(a)) .....	1,040.00
By other than a small or micro entity .....	2,080.00

(v) For an international application having a receipt date that is before January 1, 2014: \$2,080.00.

(3) A supplemental search fee when required, per additional invention:

(i) For an international application having a receipt date that is on or after January 19, 2025:

TABLE 10 TO PARAGRAPH (a)(3)(i)

By a micro entity (§ 1.29) .....	\$480.00
By a small entity (§ 1.27(a)) .....	960.00
By other than a small or micro entity .....	2,400.00

(ii) For an international application having a receipt date that is on or after April 1, 2023, and before January 19, 2025:

TABLE 11 TO PARAGRAPH (a)(3)(ii)

By a micro entity (§ 1.29) .....	\$436.00
By a small entity (§ 1.27(a)) .....	872.00
By other than a small or micro entity .....	2,180.00

(iii) For an international application having a receipt date that is on or after October 2, 2020, and before April 1, 2023:

TABLE 12 TO PARAGRAPH (a)(3)(iii)

By a micro entity (§ 1.29) .....	\$545.00
By a small entity (§ 1.27(a)) .....	1,090.00
By other than a small or micro entity .....	2,180.00

(iv) For an international application having a receipt date that is on or after January 1, 2014, and before October 2, 2020:

TABLE 13 TO PARAGRAPH (a)(3)(iv)

By a micro entity (§ 1.29) .....	\$520.00
By a small entity (§ 1.27(a)) .....	1,040.00
By other than a small or micro entity .....	2,080.00



(v) For an international application having a receipt date that is before January 1, 2014: \$2,080.00.

(4) A fee equivalent to the transmittal fee in paragraph (a)(1) of this section that would apply if the USPTO was the Receiving Office for transmittal of an international application to the International Bureau for processing in its capacity as a Receiving Office (PCT Rule 19.4).

(5) Late furnishing fee for providing a sequence listing in response to an invitation under PCT Rule 13ter:

TABLE 14 TO PARAGRAPH (a)(5)

By a micro entity (§ 1.29) .....	\$69.00
By a small entity (§ 1.27(a)) .....	138.00
By other than a small or micro entity .....	345.00

(6) Late payment fee pursuant to PCT Rule 16bis.2.

\* \* \* \* \*

■ 14. Section 1.482 is amended by revising tables 1 through 4 in paragraphs (a)(1)(i) and (ii), (a)(2), and (c) to read as follows:

**§ 1.482 International preliminary examination and processing fees.**

- (a) \* \* \*
- (1) \* \* \*
- (i) \* \* \*

TABLE 1 TO PARAGRAPH (a)(1)(i)

By a micro entity (§ 1.29) .....	\$141.00
By a small entity (§ 1.27(a)) .....	282.00
By other than a small or micro entity .....	705.00

(ii) \* \* \*

TABLE 2 TO PARAGRAPH (a)(1)(ii)

By a micro entity (§ 1.29) .....	\$176.00
By a small entity (§ 1.27(a)) .....	352.00
By other than a small or micro entity .....	880.00

(2) \* \* \*

TABLE 3 TO PARAGRAPH (a)(2)

By a micro entity (§ 1.29) .....	\$141.00
By a small entity (§ 1.27(a)) .....	282.00
By other than a small or micro entity .....	705.00

\* \* \* \* \*

(c) \* \* \*

TABLE 4 TO PARAGRAPH (c)

By a micro entity (§ 1.29) .....	\$69.00
By a small entity (§ 1.27(a)) .....	138.00
By other than a small or micro entity .....	345.00

■ 15. Section 1.492 is amended by revising table 1 in paragraph (a), tables 2 through 5 in paragraphs (b)(2) through (4), tables 7 through 10 in paragraphs (c)(2) and (d) through (f), and tables 11 through 13 in paragraphs (h) through (j) to read as follows.

**§ 1.492 National stage fees.**

- \* \* \* \* \*
- (a) \* \* \*

TABLE 1 TO PARAGRAPH (a)

By a micro entity (§ 1.29) .....	\$70.00
By a small entity (§ 1.27(a)) .....	140.00
By other than a small or micro entity .....	350.00

- (b) \* \* \*
- (2) \* \* \*( )

TABLE 3 TO PARAGRAPH (b)(2)

By a micro entity (§ 1.29) .....	\$30.00
By a small entity (§ 1.27(a)) .....	60.00
By other than a small or micro entity .....	150.00

(3) \* \* \*

TABLE 4 TO PARAGRAPH (b)(3)

By a micro entity (§ 1.29) .....	\$116.00
By a small entity (§ 1.27(a)) .....	232.00
By other than a small or micro entity .....	580.00

(4) \* \* \*

TABLE 5 TO PARAGRAPH (b)(4)

By a micro entity (§ 1.29) .....	\$154.00
By a small entity (§ 1.27(a)) .....	308.00
By other than a small or micro entity .....	770.00

- (c) \* \* \*
- (2) \* \* \*

TABLE 7 TO PARAGRAPH (c)(2)

By a micro entity (§ 1.29) .....	\$176.00
By a small entity (§ 1.27(a)) .....	352.00
By other than a small or micro entity .....	880.00

(d) \* \* \*

TABLE 8 TO PARAGRAPH (d)

By a micro entity (§ 1.29) .....	\$120.00
By a small entity (§ 1.27(a)) .....	240.00
By other than a small or micro entity .....	600.00

(e) \* \* \*

TABLE 9 TO PARAGRAPH (e)

By a micro entity (§ 1.29) .....	\$40.00
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TABLE 9 TO PARAGRAPH (e)—  
Continued

By a small entity (§ 1.27(a)) .....	80.00
By other than a small or micro entity .....	200.00

(f) \* \* \*

TABLE 10 TO PARAGRAPH (f)

By a micro entity (§ 1.29) .....	\$185.00
By a small entity (§ 1.27(a)) .....	370.00
By other than a small or micro entity .....	925.00

\* \* \* \* \*

(h) \* \* \*

TABLE 11 TO PARAGRAPH (h)

By a micro entity (§ 1.29) .....	\$34.00
By a small entity (§ 1.27(a)) .....	68.00
By other than a small or micro entity .....	170.00

(i) \* \* \*

TABLE 12 TO PARAGRAPH (i)

By a micro entity (§ 1.29) .....	\$30.00
By a small entity (§ 1.27(a)) .....	60.00
By other than a small or micro entity .....	150.00

(j) \* \* \*

TABLE 13 TO PARAGRAPH (j)

By a micro entity (§ 1.29) .....	\$90.00
By a small entity (§ 1.27(a)) .....	180.00
By other than a small or micro entity .....	450.00

■ 16. Section 1.555 is amended by revising paragraph (a) to read as follows:

**§ 1.555 Information material to patentability in *ex parte* reexamination and *inter partes* reexamination proceedings.**

(a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective reexamination occurs when, at the time a reexamination proceeding is being conducted, the Office is aware of and evaluates the teachings of all information material to patentability in a reexamination proceeding. Each individual associated with the patent owner in a reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding. The individuals who have a duty to disclose to the Office all information known to them to be material to patentability in a

reexamination proceeding are the patent owner, each attorney or agent who represents the patent owner, and every other individual who is substantively involved on behalf of the patent owner in a reexamination proceeding. The duty to disclose the information exists with respect to each claim pending in the reexamination proceeding until the claim is cancelled. Information material to the patentability of a cancelled claim need not be submitted if the information is not material to patentability of any claim remaining under consideration in the reexamination proceeding. The duty to disclose all information known to be material to patentability in a reexamination proceeding is deemed to be satisfied if all information known to be material to patentability of any claim in the patent after issuance of the reexamination certificate was cited by the Office or submitted to the Office in an information disclosure statement. However, the duties of candor, good faith, and disclosure have not been complied with if any fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct by, or on behalf of, the patent owner in the reexamination proceeding. Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible, and be accompanied by any applicable information disclosure statement size fee under § 1.17(v).

\* \* \* \* \*

■ 16. Section 1.1031 is amended by revising the table 1 to paragraph (a) to read as follows:

**§ 1.1031 International design application fees.**

(a) \* \* \*

TABLE 1 TO PARAGRAPH (a)

By a micro entity (§ 1.29) .....	\$26.00
By a small entity (§ 1.27(a)) .....	52.00
By other than a small or micro entity .....	130.00

\* \* \* \* \*

**PART 41—PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD**

■ 17. The authority citation for part 41 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), 3(a)(2)(A), 21, 23, 32, 41, 134, 135, and Pub. L. 112–29.

■ 18. Section 41.20 is amended by revising paragraph (a) and tables 1 through 4 in paragraphs (b)(1), (b)(2)(ii), and (b)(3) and (4) to read as follows:

**§ 41.20 Fees.**

(a) *Petition fee.* The fee for filing petitions to the Chief Administrative Patent Judge under § 41.3 is: \$452.00.

(b) \* \* \*  
(1) \* \* \*

TABLE 1 TO PARAGRAPH (b)(1)

By a micro entity (§ 1.29) .....	\$181.00
By a small entity (§ 1.27(a)) .....	362.00
By other than a small or micro entity .....	905.00

(2) \* \* \*  
(ii) \* \* \*

TABLE 2 TO PARAGRAPH (b)(2)(ii)

By a micro entity (§ 1.29) .....	\$452.00
By a small entity (§ 1.27(a)) .....	904.00
By other than a small or micro entity .....	2,260.00

(3) \* \* \*

TABLE 3 TO PARAGRAPH (b)(3)

By a micro entity (§ 1.29) .....	\$292.00
By a small entity (§ 1.27(a)) .....	584.00
By other than a small or micro entity .....	1,460.00

(4) \* \* \*

TABLE 4 TO PARAGRAPH (b)(4)

By a micro entity (§ 1.29) .....	\$507.00
By a small entity (§ 1.27(a)) .....	1,014.00
By other than a small or micro entity .....	2,535.00

**PART 42—TRIAL PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD**

■ 19. The authority citation for part 42 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), 6, 21, 23, 41, 135, 311, 312, 316, 321–326; Pub. L. 112–29, 125 Stat. 284; and Pub. L. 112–274, 126 Stat. 2456.

■ 20. Section 42.15 is amended by revising paragraphs (a)(1) through (4), (b)(1) through (4), (c)(1), (d), and (e) and adding paragraph (f) to read as follows:

**§ 42.15 Fees.**

(a) \* \* \*

(1) *Inter Partes* Review request fee—up to 20 claims: \$23,750.00.

(2) *Inter Partes* Review Post-Institution fee—up to 20 claims: \$28,125.00.

(3) In addition to the *Inter Partes* Review request fee, for requesting a review of each claim in excess of 20: \$470.00.

(4) In addition to the *Inter Partes* Post-Institution request fee, for requesting a review of each claim in excess of 20: \$940.00.

(b) \* \* \*

(1) Post-Grant or Covered Business Method Patent Review request fee—up to 20 claims: \$25,000.00.

(2) Post-Grant or Covered Business Method Patent Review Post-Institution fee—up to 20 claims: \$34,375.00.

(3) In addition to the Post-Grant or Covered Business Method Patent Review request fee, for requesting a review of each claim in excess of 20: \$595.00.

(4) In addition to the Post-Grant or Covered Business Method Patent Review Post-Institution fee, for requesting a review of each claim in excess of 20: \$1,315.00.

(c) \* \* \*

(1) Derivation petition fee: \$452.00.

\* \* \* \* \*

(d) Any request requiring payment of a fee under this part, including a written request to make a settlement agreement available: \$452.00.

(e) Fee for non-registered practitioners to appear *pro hac vice* before the Patent Trial and Appeal Board: \$269.00.

(f) Fee for requesting a review of a Patent Trial and Appeal Board decision by the Director: \$452.

**Endnotes**

<sup>1</sup> As reported by the CBO, three recent studies estimated the average research and development costs per new drug to range from \$0.8 billion to \$2.3 billion. See “Research and Development in the Pharmaceutical Industry,” Report No. 57126 pp. 15 and 16 (April 2021), available at <https://www.cbo.gov/publication/57126>. FDA user fees applicable to prescription drugs are currently between \$2.16 million and \$4.31 million as a one-time sum, with an additional annual program fee of \$403,889. See *e.g.*, the FDA’s user fee page for prescription drugs at <https://www.fda.gov/industry/fda-user-fee-programs/prescription-drug-user-fee-amendments>.

<sup>2</sup> See note 1, *supra*.

**Katherine K. Vidal,**  
*Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.*

[FR Doc. 2024–26821 Filed 11–19–24; 8:45 am]