

IS A (MORE THAN POCKET) CHANGE IN THE AIR AT THE USPTO?

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The United States Patent and Trademark Office (USPTO) Director's letter presented last week to the Patent Public Advisory Committee (PPAC) gave us the first glimpse at potentially substantial fee increases on the horizon. Today the USPTO called for public comments and feedback on possible fee increases and set a public hearing for May 18, 2023. Additional information is available [here](#).

The USPTO states that the proposed adjustments to the fee schedule are to account for their projections that aggregate operating costs “will exceed aggregate fee revenues” starting in 2025. The USPTO’s projection is primarily based on (1) increased discounts to small and micro entities under the Unleashing American Innovators Act (UAIA) of 2022; and (2) the “higher-than-expected inflation [over] the last two years” causing increased operating costs. ¹

In order to compensate for this projected inflection point, the Office is proposing a 5% across-the-board fee increase to most patent fees, with additional increases for specific fees. Examples of more common prosecution fees and the corresponding proposed increases are detailed below (fees are for large entities):

Fee Type	Current Fee	Proposed Fee	Dollar Change	Percent Change
Assignment (electronic)	\$0	\$40	\$40	n/a
Continuing applications (more than 3 years from earliest benefit date)	\$0	\$1,500	\$1,500	n/a
Continuing applications (more than 7 years from earliest benefit date)	\$0	\$3,000	\$3,000	n/a
Design patents (combined fee codes)	\$3,740	\$5,500	\$1,760	48%
Excess claims (each claim in excess of 20)	\$100	\$200	\$100	100%
Excess claims (each independent claim in excess of 3)	\$480	\$600	\$120	25%
Application for patent term adjustment correction	\$210	\$300	\$90	43%

¹ Letter from the Director to PPAC, Fee Setting and Adjusting, U.S. PATENT AND TRADEMARK OFFICE (Apr. 20, 2023), <https://www.uspto.gov/sites/default/files/documents/Letter-from-Director-to-PPAC-April-2023.pdf>.

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In addition to the foregoing, the USPTO is also proposing that some patent fees be tier-structured, with tiers based on relevant milestones.

For example, there would be different surcharges based on the number of citations presented in information disclosure statements (IDS). Under the current proposal, the first IDS that causes the cumulative number of applicant-provided citations to exceed 50 would cost \$200, the first IDS causing the total citations to exceed 100 and again to exceed 200 would cost \$300 each. In this cumulative tier-structure, an applicant filing over 200 references for consideration would pay an additional \$800 in new fees.

As stakeholders are already aware, fees for requests for continued examination (RCE) are already tier-structured with the first RCE being \$1,360 and the second and subsequent RCE being \$2,000. However, under the current proposal not only is the RCE fee proposed to increase but an additional tier would also be added with the new structure being as follows:

First RCE	\$1,500
Second RCE	\$2,500
Third and subsequent RCE(s)	\$3,600

The USPTO is also proposing an event-based tier-structure for filing terminal disclaimers. Under the current schedule the fee for a terminal disclaimer, regardless of when it is filed, is \$170. However, the USPTO is proposing the following new scheme:

Terminal disclaimer prior to first action on the merits	\$200
Terminal disclaimer prior to final action or allowance	\$500
Terminal disclaimer filed after final action or allowance	\$800
Terminal disclaimer filed on or after notice of appeal	\$1,100
Terminal disclaimer filed in a patent case	\$1,400

Fret not (yet), although the current proposal is substantial and affects almost every fee, the adjustments that are currently contemplated by the Director would not take effect until 2025, if adopted. While it is still too early to know which, if any, of these proposed changes will be implemented, it is likely that we will see many of the existing fees increase and several new fees implemented. No doubt, these fee changes will impact how stakeholders view and utilize the US patent system.

We will continue to monitor any further developments and the attorneys at Haynes and Boone, LLP stand ready to answer any questions you might have. For assistance with any patentability issues, please reach out to the lawyers below.

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