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New Patent Fees Finalized

Intellectual Property Client Alert

This Alert provides only general information and should not be relied upon as legal advice. This Alert may be considered attorney advertising under court and bar rules in certain jurisdictions.

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The U.S. Patent and Trademark Office (PTO) has finalized new fees to take effect in March 2013. The PTO believes these fees will aid in reducing pendency of patent applications within the agency.

The PTO is relying on the additional revenue to increase resources that will reduce currently pending application levels and allow the agency to keep pace with new filings. Over the next three years, the PTO expects to reduce the pending backlog from approximately 600,000 to approximately 335,000. The PTO has a high expectation of reducing the time from filing to issuance from about 32 months down to 20 months by fiscal year 2017.

The new fee schedule presents 351 patent fee adjustments, with some fees increasing and some decreasing. For example, basic filing, search, and examination fees for new utility applications increase \$340 to \$1,600.00; however, issue fees decrease to \$960.

Of particular note are the amendments for post-grant proceedings. The fee rates for *ex parte* reexaminations decreases \$5,750 and is set at \$12,000. For the new *inter partes* review (IPR) proceedings, the PTO has set the fee at \$23,000 in a bifurcated calculation, wherein there is a filing fee for the IPR request and a fee for the PTO instituting the review (post-institution fee). The fee for the IPR request is \$9,000 (non-refundable) for up to 20 claims, and the "post-institution fee" is \$14,000 for up to 15 claims (refundable if PTO does not institute the IPR). The Federal Register provides examples regarding the refunds available when the PTO does not institute the IPR or institutes it in-part.

Post-Grant Review and Covered Business Method Patent Review are also bifurcated with request fees of \$12,000 (non-refundable) and a post-institution fee of \$18,000 (refundable if PTO does not institute). The fees for each can change based on total number of claims requested for review.

The new fee schedule and procedures will likely impact filing strategies as well as post-grant actions. Therefore, it is important for clients to be aware of the financial implications (pros and cons) at each step of the patenting process.

A copy of the fees schedules and the PTO's discussions related thereto can be found here.

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