

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2791

To amend title 35, United States Code, with respect to patent fees, and  
for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2005

Mr. SENSENBRENNER (for himself, Mr. SMITH of Texas, Mr. GOODLATTE, Mr. BERMAN, Mr. BOUCHER, Mr. CONYERS, Mr. CHABOT, Mr. JENKINS, Ms. ZOE LOFGREN of California, Mr. COBLE, and Mr. WEXLER) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend title 35, United States Code, with respect to  
patent fees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Patent  
5 and Trademark Fee Modernization Act of 2005”.

6 **SEC. 2. FEES FOR PATENT SERVICES.**

7 (a) GENERAL PATENT FEES.—Section 41(a) of title  
8 35, United States Code, is amended to read as follows:

1       “(a) GENERAL FEES.—The Director shall charge the  
2 following fees:

3               “(1) FILING AND BASIC NATIONAL FEES.—

4                       “(A) On filing each application for an  
5 original patent, except for design, plant, or pro-  
6 visional applications, \$300.

7                       “(B) On filing each application for an  
8 original design patent, \$200.

9                       “(C) On filing each application for an  
10 original plant patent, \$200.

11                      “(D) On filing each provisional application  
12 for an original patent, \$200.

13                      “(E) On filing each application for the re-  
14 issue of a patent, \$300.

15                      “(F) The basic national fee for each inter-  
16 national application filed under the treaty de-  
17 fined in section 351(a) of this title entering the  
18 national stage under section 371 of this title,  
19 \$300.

20                      “(G) In addition, excluding any sequence  
21 listing or computer program listing filed in an  
22 electronic medium as prescribed by the Direc-  
23 tor, for any application the specification and  
24 drawings of which exceed 100 sheets of paper  
25 (or equivalent as prescribed by the Director if

1 filed in an electronic medium), \$250 for each  
2 additional 50 sheets of paper (or equivalent as  
3 prescribed by the Director if filed in an elec-  
4 tronic medium) or fraction thereof.

5 “(2) EXCESS CLAIMS FEES.—In addition to the  
6 fee specified in paragraph (1)—

7 “(A) on filing or on presentation at any  
8 other time, \$200 for each claim in independent  
9 form in excess of 3;

10 “(B) on filing or on presentation at any  
11 other time, \$50 for each claim (whether de-  
12 pendent or independent) in excess of 20; and

13 “(C) for each application containing a mul-  
14 tiple dependent claim, \$360.

15 For the purpose of computing fees under this para-  
16 graph, a multiple dependent claim referred to in sec-  
17 tion 112 of this title or any claim depending there-  
18 from shall be considered as separate dependent  
19 claims in accordance with the number of claims to  
20 which reference is made. The Director may by regu-  
21 lation provide for a refund of any part of the fee  
22 specified in this paragraph for any claim that is can-  
23 celed before an examination on the merits, as pre-  
24 scribed by the Director, has been made of the appli-  
25 cation under section 131 of this title. Errors in pay-

1 ment of the additional fees under this paragraph  
2 may be rectified in accordance with regulations pre-  
3 scribed by the Director.

4 “(3) EXAMINATION FEES.—

5 “(A) For examination of each application  
6 for an original patent, except for design, plant,  
7 provisional, or international applications, \$200.

8 “(B) For examination of each application  
9 for an original design patent, \$130.

10 “(C) For examination of each application  
11 for an original plant patent, \$160.

12 “(D) For examination of the national stage  
13 of each international application, \$200.

14 “(E) For examination of each application  
15 for the reissue of a patent, \$600.

16 The provisions of section 111(a)(3) of this title re-  
17 lating to the payment of the fee for filing the appli-  
18 cation shall apply to the payment of the fee specified  
19 in this paragraph with respect to an application filed  
20 under section 111(a) of this title. The provisions of  
21 section 371(d) of this title relating to the payment  
22 of the national fee shall apply to the payment of the  
23 fee specified in this paragraph with respect to an  
24 international application. The Director may by regu-  
25 lation provide for a refund of any part of the fee

1 specified in this paragraph for any applicant who  
2 files a written declaration of express abandonment  
3 as prescribed by the Director before an examination  
4 has been made of the application under section 131  
5 of this title, and for any applicant who provides a  
6 search report that meets the conditions prescribed  
7 by the Director.

8 “(4) ISSUE FEES.—

9 “(A) For issuing each original patent, ex-  
10 cept for design or plant patents, \$1,400.

11 “(B) For issuing each original design pat-  
12 ent, \$800.

13 “(C) For issuing each original plant pat-  
14 ent, \$1,100.

15 “(D) For issuing each reissue patent,  
16 \$1,400.

17 “(5) DISCLAIMER FEE.—On filing each dis-  
18 claimer, \$130.

19 “(6) APPEAL FEES.—

20 “(A) On filing an appeal from the exam-  
21 iner to the Board of Patent Appeals and Inter-  
22 ferences, \$500.

23 “(B) In addition, on filing a brief in sup-  
24 port of the appeal, \$500, and on requesting an

1 oral hearing in the appeal before the Board of  
2 Patent Appeals and Interferences, \$1,000.

3 “(7) REVIVAL FEES.—On filing each petition  
4 for the revival of an unintentionally abandoned ap-  
5 plication for a patent, for the unintentionally delayed  
6 payment of the fee for issuing each patent, or for an  
7 unintentionally delayed response by the patent owner  
8 in any reexamination proceeding, \$1,500, unless the  
9 petition is filed under section 133 or 151 of this  
10 title, in which case the fee shall be \$500.

11 “(8) EXTENSION FEES.—For petitions for 1-  
12 month extensions of time to take actions required by  
13 the Director in an application—

14 “(A) on filing a first petition, \$120;

15 “(B) on filing a second petition, \$330; and

16 “(C) on filing a third or subsequent peti-  
17 tion, \$570.”.

18 (b) PATENT MAINTENANCE FEES.—Section 41(b) of  
19 title 35, United States Code, is amended to read as fol-  
20 lows:

21 “(b) MAINTENANCE FEES.—The Director shall  
22 charge the following fees for maintaining in force all pat-  
23 ents based on applications filed on or after December 12,  
24 1980:

25 “(1) 3 years and 6 months after grant, \$900.

1           “(2) 7 years and 6 months after grant, \$2,300.

2           “(3) 11 years and 6 months after grant,  
3       \$3,800.

4 Unless payment of the applicable maintenance fee is re-  
5 ceived in the United States Patent and Trademark Office  
6 on or before the date the fee is due or within a grace pe-  
7 riod of 6 months thereafter, the patent will expire as of  
8 the end of such grace period. The Director may require  
9 the payment of a surcharge as a condition of accepting  
10 within such 6-month grace period the payment of an appli-  
11 cable maintenance fee. No fee may be established for  
12 maintaining a design or plant patent in force.”.

13       (c) PATENT SEARCH FEES.—Section 41(d) of title  
14 35, United States Code, is amended to read as follows:

15       “(d) PATENT SEARCH AND OTHER FEES.—

16           “(1) PATENT SEARCH FEES.—(A) The Director  
17 shall charge a fee for the search of each application  
18 for a patent, except for provisional applications. The  
19 Director shall establish the fees charged under this  
20 paragraph to recover an amount not to exceed the  
21 estimated average cost to the Office of searching ap-  
22 plications for patent either by acquiring a search re-  
23 port from a qualified search authority, or by causing  
24 a search by Office personnel to be made, of each ap-  
25 plication for patent. For the 3-year period beginning

1 on December 8, 2004, the fee for a search by a  
2 qualified search authority of a patent application de-  
3 scribed in clause (i), (iv), or (v) of subparagraph (B)  
4 may not exceed \$500, of a patent application de-  
5 scribed in clause (ii) of subparagraph (B) may not  
6 exceed \$100, and of a patent application described  
7 in clause (iii) of subparagraph (B) may not exceed  
8 \$300. The Director may not increase any such fee  
9 by more than 20 percent in each of the next 3 1-  
10 year periods, and the Director may not increase any  
11 such fee thereafter.

12 “(B) For purposes of determining the fees to be  
13 established under this paragraph, the cost to the Of-  
14 fice of causing a search of an application to be made  
15 by Office personnel shall be deemed to be—

16 “(i) \$500 for each application for an origi-  
17 nal patent, except for design, plant, provisional,  
18 or international applications;

19 “(ii) \$100 for each application for an origi-  
20 nal design patent;

21 “(iii) \$300 for each application for an  
22 original plant patent;

23 “(iv) \$500 for the national stage of each  
24 international application; and

1           “(v) \$500 for each application for the re-  
2           issue of a patent.

3           “(C) The provisions of section 111(a)(3) of this  
4           title relating to the payment of the fee for filing the  
5           application shall apply to the payment of the fee  
6           specified in this paragraph with respect to an appli-  
7           cation filed under section 111(a) of this title. The  
8           provisions of section 371(d) of this title relating to  
9           the payment of the national fee shall apply to the  
10          payment of the fee specified in this paragraph with  
11          respect to an international application.

12          “(D) The Director may by regulation provide  
13          for a refund of any part of the fee specified in this  
14          paragraph for any applicant who files a written dec-  
15          laration of express abandonment as prescribed by  
16          the Director before an examination has been made  
17          of the application under section 131 of this title, and  
18          for any applicant who provides a search report that  
19          meets the conditions prescribed by the Director.

20          “(E) For purposes of subparagraph (A), a  
21          ‘qualified search authority’ may not include a com-  
22          mercial entity unless—

23                  “(i) the Director conducts a pilot program  
24                  of limited scope, conducted over a period of not  
25                  more than 18 months, which demonstrates that

1 searches by commercial entities of the available  
2 prior art relating to the subject matter of inven-  
3 tions claimed in patent applications—

4 “(I) are accurate; and

5 “(II) meet or exceed the standards of  
6 searches conducted by and used by the  
7 Patent and Trademark Office during the  
8 patent examination process;

9 “(ii) the Director submits a report on the  
10 results of the pilot program to the Congress  
11 and the Patent Public Advisory Committee that  
12 includes—

13 “(I) a description of the scope and du-  
14 ration of the pilot program;

15 “(II) the identity of each commercial  
16 entity participating in the pilot program;

17 “(III) an explanation of the method-  
18 ology used to evaluate the accuracy and  
19 quality of the search reports; and

20 “(IV) an assessment of the effects  
21 that the pilot program, as compared to  
22 searches conducted by the Patent and  
23 Trademark Office, had and will have on—

24 “(aa) patentability determina-  
25 tions;

1 “(bb) productivity of the Patent  
2 and Trademark Office;

3 “(cc) costs to the Patent and  
4 Trademark Office;

5 “(dd) costs to patent applicants;  
6 and

7 “(ee) other relevant factors;

8 “(iii) the Patent Public Advisory Com-  
9 mittee reviews and analyzes the Director’s re-  
10 port under clause (ii) and the results of the  
11 pilot program and submits a separate report on  
12 its analysis to the Director and the Congress  
13 that includes—

14 “(I) an independent evaluation of the  
15 effects that the pilot program, as compared  
16 to searches conducted by the Patent and  
17 Trademark Office, had and will have on  
18 the factors set forth in clause (ii)(IV); and

19 “(II) an analysis of the reasonable-  
20 ness, appropriateness, and effectiveness of  
21 the methods used in the pilot program to  
22 make the evaluations required under clause  
23 (ii)(IV); and

24 “(iv) the Congress does not, during the 1-  
25 year period beginning on the date on which the

1 Patent Public Advisory Committee submits its  
2 report to the Congress under clause (iii), enact  
3 a law prohibiting searches by commercial enti-  
4 ties of the available prior art relating to the  
5 subject matter of inventions claimed in patent  
6 applications.

7 “(F) The Director shall require that any search  
8 by a qualified search authority that is a commercial  
9 entity is conducted in the United States by persons  
10 that—

11 “(i) if individuals, are United States citi-  
12 zens; and

13 “(ii) if business concerns, are organized  
14 under the laws of the United States or any  
15 State and employ United States citizens to per-  
16 form the searches.

17 “(G) A search of an application that is the sub-  
18 ject of a secrecy order under section 181 or other-  
19 wise involves classified information may only be con-  
20 ducted by Office personnel.

21 “(H) A qualified search authority that is a  
22 commercial entity may not conduct a search of a  
23 patent application if the entity has any direct or in-  
24 direct financial interest in any patent or in any

1 pending or imminent application for patent filed or  
2 to be filed in the Patent and Trademark Office.

3 “(2) OTHER FEES.—The Director shall estab-  
4 lish fees for all other processing, services, or mate-  
5 rials relating to patents not specified in this section  
6 to recover the estimated average cost to the Office  
7 of such processing, services, or materials, except that  
8 the Director shall charge the following fees for the  
9 following services:

10 “(A) For recording a document affecting  
11 title, \$40 per property.

12 “(B) For each photocopy, \$.25 per page.

13 “(C) For each black and white copy of a  
14 patent, \$3.

15 The yearly fee for providing a library specified in  
16 section 12 of this title with uncertified printed copies  
17 of the specifications and drawings for all patents in  
18 that year shall be \$50.”.

19 (d) ADJUSTMENTS.—

20 (1) IN GENERAL.—Section 41(f) of title 35,  
21 United States Code, shall apply to the fees estab-  
22 lished under the amendments made by this section,  
23 beginning in fiscal year 2006.

24 (2) CONFORMING AMENDMENT.—Effective De-  
25 cember 8, 2004, section 41(f) of title 35, United

1 States Code, is amended by striking “(a) and (b)”  
2 and inserting “(a), (b), and (d)”.

3 (e) FEES FOR SMALL ENTITIES.—Section 41(h) of  
4 title 35, United States Code, is amended—

5 (1) in paragraph (1), by striking “Fees charged  
6 under subsection (a) or (b)” and inserting “Subject  
7 to paragraph (3), fees charged under subsections  
8 (a), (b), and (d)(1)”; and

9 (2) by adding at the end the following new  
10 paragraph:

11 “(3) The fee charged under subsection (a)(1)(A) shall  
12 be reduced by 75 percent with respect to its application  
13 to any entity to which paragraph (1) applies, if the appli-  
14 cation is filed by electronic means as prescribed by the  
15 Director.”.

16 (f) SIZE STANDARDS FOR SMALL ENTITIES.—

17 (1) STUDY.—The Director, in conjunction with  
18 the Administrator of the Small Business Administra-  
19 tion and the Chief Counsel for Advocacy of the  
20 Small Business Administration, shall conduct a  
21 study on the effect of patent fees on the ability of  
22 small entity inventors to file patent applications.  
23 Such study shall examine whether a separate cat-  
24 egory of reduced patent fees is necessary to ensure

1 adequate development of new technology by small  
2 entity inventors.

3 (2) REPORT.—The Director shall, not later  
4 than 6 months after the date of the enactment of  
5 this Act, submit a report on the results of the study  
6 under paragraph (1) to the Committee on the Judi-  
7 ciary and the Committee on Small Business of the  
8 House of Representatives and the Committee on the  
9 Judiciary and the Committee on Small Business and  
10 Entrepreneurship of the Senate.

11 (g) CONFORMING AMENDMENTS.—

12 (1) Section 41 of title 35, United States Code,  
13 is amended—

14 (A) in subsection (c), by striking “(c)(1)”  
15 and inserting “(c) LATE PAYMENT OF FEES.—  
16 (1)”;

17 (B) in subsection (e), by striking “(e)” and  
18 inserting “(e) WAIVERS OF CERTAIN FEES.—”;

19 (C) in subsection (f), by striking “(f)” and  
20 inserting “(f) ADJUSTMENTS IN FEES.—”;

21 (D) in subsection (g), by striking “(g)”  
22 and inserting “(g) EFFECTIVE DATES OF  
23 FEES.—”;

1 (E) in subsection (h), by striking “(h)(1)”  
2 and inserting “(h) REDUCTIONS IN FEES FOR  
3 CERTAIN ENTITIES.—(1)”; and

4 (F) in subsection (i), by striking “(i)(1)”  
5 and inserting “(i) SEARCH SYSTEMS.—(1)”.

6 (2) Section 119(e)(2) of title 35, United States  
7 Code, is amended by striking “subparagraph (A) or  
8 (C) of”.

9 **SEC. 3. ADJUSTMENT OF TRADEMARK FEES.**

10 (a) FEE FOR FILING APPLICATION.—The fee under  
11 section 31(a) of the Trademark Act of 1946 (15 U.S.C.  
12 1113(a)) for filing an electronic application for the reg-  
13 istration of a trademark shall be \$325. If the trademark  
14 application is filed on paper, the fee shall be \$375. The  
15 Director may reduce the fee for filing an electronic appli-  
16 cation for the registration of a trademark to \$275 for any  
17 applicant who prosecutes the application through elec-  
18 tronic means under such conditions as may be prescribed  
19 by the Director. Beginning in fiscal year 2006, the provi-  
20 sions of the second and third sentences of section 31(a)  
21 of the Trademark Act of 1946 shall apply to the fees es-  
22 tablished under this section.

23 (b) REFERENCE TO TRADEMARK ACT OF 1946.—For  
24 purposes of this section, the “Trademark Act of 1946”  
25 refers to the Act entitled “An Act to provide for the reg-

1 istration and protection of trademarks used in commerce,  
2 to carry out the provisions of certain international conven-  
3 tions, and for other purposes.”, approved July 5, 1946 (15  
4 U.S.C. 1051 et seq.).

5 **SEC. 4. CORRECTION OF ERRONEOUS NAMING OF OFFICER.**

6 (a) CORRECTION.—Section 13203(a) of the 21st Cen-  
7 tury Department of Justice Appropriations Authorization  
8 Act (Public Law 107–273; 116 Stat. 1902) is amended—

9 (1) in the subsection heading, by striking  
10 “COMMISSIONER” and inserting “DIRECTOR”; and

11 (2) in paragraphs (1) and (2), by striking  
12 “Commissioner” each place it appears and inserting  
13 “Director”.

14 (b) EFFECTIVE DATE.—The amendments made by  
15 subsection (a) shall be effective as of the date of the enact-  
16 ment of Public Law 107–273.

17 **SEC. 5. PATENT AND TRADEMARK FUNDING.**

18 Section 42(c) of title 35, United States Code, is  
19 amended—

20 (1) by striking “(c)” and inserting “(c)(1)”;  
21 and

22 (2) by adding at the end the following new  
23 paragraph:

24 “(2) There is established in the Treasury a Patent  
25 and Trademark Fee Reserve Fund. If fee collections by

1 the Patent and Trademark Office for a fiscal year exceed  
2 the amount appropriated to the Office for that fiscal year,  
3 fees collected in excess of the appropriated amount shall  
4 be deposited in the Patent and Trademark Fee Reserve  
5 Fund. After the end of each fiscal year, the Director shall  
6 make a finding as to whether the fees collected for that  
7 fiscal year exceed the amount appropriated to the Patent  
8 and Trademark Office for that fiscal year. If the amount  
9 collected exceeds the amount appropriated, the Director  
10 shall, if the Director determines that there are sufficient  
11 funds in the Reserve Fund, make payments from the Re-  
12 serve Fund to persons who paid patent or trademark fees  
13 during that fiscal year. The Director shall by regulation  
14 determine which persons receive such payments and the  
15 amount of such payments, except that such payments in  
16 the aggregate shall equal the amount of funds deposited  
17 in the Reserve Fund during that fiscal year, less the cost  
18 of administering the provisions of this paragraph.”

19 **SEC. 6. REPEAL OF PATENT AND TRADEMARK FEE PROVI-**  
20 **SIONS OF THE CONSOLIDATED APPROPRIA-**  
21 **TIONS ACT, 2005.**

22 Title VIII of division B of the Consolidated Appro-  
23 priations Act, 2005 (35 U.S.C. 41 note; Public Law 108–  
24 447; 118 Stat. 2924) is repealed.

1 **SEC. 7. EFFECTIVE DATE, APPLICABILITY, AND TRANSI-**  
2 **TIONAL PROVISION.**

3 (a) **EFFECTIVE DATE.**—Except as otherwise provided  
4 in this Act and this section, this Act and the amendments  
5 made by this Act shall take effect as of December 8, 2004.

6 (b) **APPLICABILITY.**—

7 (1)(A) Except as provided in subparagraphs  
8 (B) and (C), the amendments made by section 2  
9 shall apply to all patents, whenever granted, and to  
10 all patent applications pending on or filed after the  
11 effective date set forth in subsection (a) of this sec-  
12 tion.

13 (B)(i) Except as provided in clause (ii), sections  
14 41(a)(1), 41(a)(3), and 41(d)(1) of title 35, United  
15 States Code, as amended by this Act, shall apply  
16 only to—

17 (I) applications for patents filed under sec-  
18 tion 111(a) of title 35, United States Code, on  
19 or after the effective date set forth in sub-  
20 section (a) of this section, and

21 (II) international applications entering the  
22 national stage under section 371 of title 35,  
23 United States Code, for which the basic na-  
24 tional fee specified in section 41 of title 35,  
25 United States Code, was not paid before the ef-

1           fective date set forth in subsection (a) of this  
2           section.

3           (ii) Section 41(a)(1)(D) of title 35, United  
4           States Code as amended by this Act, shall apply only  
5           to applications for patent filed under section 111(b)  
6           of title 35, United States Code, before, on, or after  
7           the effective date set forth in subsection (a) of this  
8           section in which the filing fee specified in section 41  
9           of title 35, United States Code, was not paid before  
10          the effective date set forth in subsection (a) of this  
11          section.

12          (C) Section 41(a)(2) of title 35, United States  
13          Code, as amended by this Act, shall apply only to  
14          the extent that the number of excess claims, after  
15          giving effect to any cancellation of claims, is in ex-  
16          cess of the number of claims for which the excess  
17          claims fee specified in section 41 of title 35, United  
18          States Code, was paid before the effective date set  
19          forth in subsection (a) of this section.

20          (2) The amendments made by section 3 shall  
21          apply to all applications for the registration of a  
22          trademark filed or amended on or after the effective  
23          date set forth in subsection (a) of this section.

24          (c) TRANSITIONAL PROVISIONS.—

1           (1) SEARCH FEES.—During the period begin-  
2           ning on the effective date set forth in subsection (a)  
3           of this section and ending on the date on which the  
4           Director establishes search fees under the authority  
5           provided in section 41(d)(1) of title 35, United  
6           States Code, the Director shall charge—

7                   (A) for the search of each application for  
8                   an original patent, except for design, plant, pro-  
9                   visional, or international application, \$500;

10                   (B) for the search of each application for  
11                   an original design patent, \$100;

12                   (C) for the search of each application for  
13                   an original plant patent, \$300;

14                   (D) for the search of the national stage of  
15                   each international application, \$500; and

16                   (E) for the search of each application for  
17                   the reissue of a patent, \$500.

18           (2) TIMING OF FEES.—The provisions of sec-  
19           tion 111(a)(3) of title 35, United States Code, relat-  
20           ing to the payment of the fee for filing the applica-  
21           tion shall apply to the payment of the fee specified  
22           in paragraph (1) with respect to an application filed  
23           under section 111(a) of title 35, United States Code.  
24           The provisions of section 371(d) of title 35, United  
25           States Code, relating to the payment of the national

1 fee shall apply to the payment of the fee specified  
2 in paragraph (1) with respect to an international ap-  
3 plication.

4 (3) REFUNDS.—The Director may by regula-  
5 tion provide for a refund of any part of the fee spec-  
6 ified in paragraph (1) for any applicant who files a  
7 written declaration of express abandonment as pre-  
8 scribed by the Director before an examination has  
9 been made of the application under section 131 of  
10 title 35, United States Code, and for any applicant  
11 who provides a search report that meets the condi-  
12 tions prescribed by the Director.

13 **SEC. 8. DEFINITION.**

14 In this Act, the term “Director” means the Under  
15 Secretary of Commerce for Intellectual Property and Di-  
16 rector of the United States Patent and Trademark Office.

17 **SEC. 9. CLERICAL AMENDMENT.**

18 Subsection (c) of section 311 of title 35, United  
19 States Code, is amended by aligning the text with the text  
20 of subsection (a) of such section.

○