

Reduced USPTO Fees

The U.S. Patent & Trademark Office (USPTO) requires the payment of fees upon the filing of some documents. This description is a simplified summary which, although reliable for most situations, may not apply to some. Also, fees paid to attorneys for services are not included in these USPTO fees.

Most USPTO fees that are related to patents and patent applications have three levels of fee amounts. The amount paid to the USPTO depends upon characteristics of the owner of the patent or patent application. There are three levels of fees: (1) large entity; (2) small entity; and (3) micro-entity. Small entity status permits fees to be paid at 50% of the large entity fees. Micro entity status permits fees to be paid at 25% of the large entity fees.

A large entity is a person or a business organization for profit that has 500 or more employees. The number of employees includes all parent, subsidiary and sister companies. The owner of the patent or patent application is a large entity unless it qualifies as a small entity or a micro-entity.

The owner of the patent or patent application is disqualified from being a small entity or micro-entity (and therefore is a large entity) if that owner has transferred or licensed, or is under an obligation under contract or law to transfer or license, any rights in the invention to a large entity. The transfer or license does not include selling a product that includes an embodiment of the invention. It includes the transfer or license of legal rights under the patent or application.

A small entity is

1. a person(s) who has not made a transfer or license to a large entity; OR
2. a small business concern that has not made a transfer or license to a large entity and is not itself a large entity; OR
3. a nonprofit organization, that has not made a transfer or license to a large entity AND is
 - (A) A university or other institution of higher education located in any country; or
 - (B) A 501(c)(3) organization that is exempt from taxation under section 501(a) of the Internal Revenue Code; or
 - (C) a nonprofit scientific or educational organization qualified under a statute of a state of this country; or
 - (D) a nonprofit organization located in a foreign country which would qualify as a nonprofit organization under (B) or (C) if it were located in this country.

A micro-entity is a person(s) that qualifies as a small entity; AND

- (1) no applicant or inventor has been named as an inventor in more than four previous U.S. patent applications; AND
- (2) no applicant or inventor had a gross income, in the previous calendar year, that exceeded \$153,051 (limit in effect September 17, 2013) AND
- (3) there is no transfer, license or agreement giving rights to an entity that had a gross income that exceeded the same amount.

The number of U.S. applications does NOT include either U.S. provisional applications or applications for which the applicant has assigned all ownership rights or is obligated to assign all ownership rights as a result of the applicant's previous employment.

For certain institutions of higher education, a micro entity includes a patent applicant who certifies that—

- (1) the applicant's employer, from which the applicant obtains the majority of the applicant's income, is an institution of higher education; OR
- (2) the applicant has transferred, or is under an obligation by contract or law, to transfer a license or other ownership interest in the particular applications to that institution of higher education.