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Intellectual Property Alert

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USPTO announces increase in patent fees for Fiscal Year 2025

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The USPTO issued a Final Rule increasing fees, and applicants may need to reassess filing strategy.

What's the impact?

- The new fees are effective January 19, 2025.
- Applicants intending to file new applications or new continuing applications are well-advised to consider how the new fees will affect their filing costs and adjust strategy now.

The US Patent and Trademark Office (USPTO) is increasing its existing fees and introducing many new fees effective January 19, 2025, via Regulation Identifier Number (RIN) 0651-AD64 (New Fee Rules). The New Fee Rules include across-the-board increases of about 7.5% and other targeted increases intended to secure funds for future USPTO operation costs and address present shortcomings.

By law, the USPTO may adjust fees only to recover aggregate estimated costs for processing, activities, services, and materials related to patents. However, in setting the new fees, the USPTO recognized that it "did not set each individual fee necessarily equal to the estimated costs of

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performing activities related to the fee," but that "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."

Key points from USPTO's New Fee Rules

The following listed fees are for "undiscounted" entities.[1]

CONTINUING APPLICATION FEES (NEW)

The USPTO noted that from 2010–2022, non-continuing application filings increased by 25%, divisional and continuation-in-part (CIP) application filings remained flat, but continuation application filings tripled (300% increase). The USPTO noted that this volume and rapid increase of continuation applications had a negative impact on its workload and docketing practices. To account for this increase and partially offset foregone maintenance fee revenue resulting from later-filed continuing applications, the USPTO is implementing new "late continuation surcharge fees" of $2,700 for continuation applications filed more than six years after their earliest benefit date (EBD) and $4,000 for continuation applications filed more than nine years after their EBD. These late continuation surcharge fees apply not only to traditional continuation applications, but also to any application with a qualifying benefit claim, including divisionals, CIPs, and the like. The USPTO clarified that EBD refers 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), which does not include provisional application filing dates. About 20% of continuation applications are expected to be subject to these new late continuation surcharge fees.

REQUESTS FOR CONTINUED EXAMINATION (RCE)

The New Fee Rules increase the cost of a first RCE from $1,360 to $1,500 (10% increase). Despite this increase, fees for first RCEs remain below their cost-of-process ($3,110 in 2023). To partially offset this shortage, the USPTO is maintaining its bifurcated fee structure where second and subsequent RCEs, which are above the agency's cost-of-process ($2,258 in 2023), compensate for the deficit. Accordingly, the New Fee Rules increase the cost of second and subsequent RCE fees from $2,000 to $2,860 (43% increase).

EXCESS CLAIMS FEES

The New Fee Rules increase the cost for total excess claims from $100 to $200 (100% increase) and for independent excess claims from $480 to $600 (25% increase).

[1] Discounted fees exist for entities that qualify as small or micro entities.

DESIGN PATENT FEES

The USPTO noted that its practice of historically setting design patent fees below their cost, along with "heavy use" of entity fee discounts by design applicants, has resulted in subsidization of design patent applications increasing from 14% in 2013 to 55% in 2023. To address this issue, the New Fee Rules increase combined filing, search, examination, and issue fees for design applications from $1,760 to $2,600 (48% increase).

INFORMATION DISCLOSURE STATEMENT (IDS) SIZE FEES (NEW)

The New Fee Rules add new fees for IDS submissions that contain more than 50 ($200), more than 100 ($500), or more than 200 ($800) items of information. This change is expected to impact a relatively small number of applications, as approximately 13% of applications contain more than 50 applicant-provided items of information.

The other fee changes can be found in the published New Fee Rules.

Practice tips in view of the New Fee Rules

RCE COST STRUCTURE

Previously, regardless of time passed since the earliest filing date, it cost $2,000 to file a second RCE and $1,820 to file a new continuation application, so the cost of filing a second RCE was always only $180 more than the cost of restarting with a new continuation application. Under the New Fee Rules, the cost of filing a second RCE is now $860 more than the cost of restarting with a new continuation application six years from that application's EBD. However, this relationship reverses after six years, when the cost of filing a second RCE becomes $1,840 less than the cost of restarting with a new continuation application, and the difference becomes even more marked after nine years when the cost of filing a second RCE becomes $3,140 less.

Given this pricing structure and the reversal in relative filing costs between the two actions, cost-conscious applicants will benefit by filing new continuation applications over a second RCEs earlier during the prosecution of a patent when the new late continuation surcharge fees do not apply. Conversely, applicants will benefit by continuing to prosecute applications pending for six years or more via second or subsequent RCEs over filing new continuation applications. Applicants should also consider being more proactive in working with examiners earlier during prosecution and interviewing more to increase their chances of avoiding second and subsequent RCE fees.

CONSIDER ADDITIONAL APPLICATIONS AND REQUESTS

With the new fees set to become effective on January 19, 2025, applicants considering filing new applications or new continuing applications should consider how the new fees will affect their

filing costs and adjust strategy now. Although from a cost perspective, applicants will benefit in general by filing all applications before the New Fee Rules take effect, discriminating applicants may maximize their relative savings by focusing on filing the following types of applications and requests before this deadline:

- Potential continuing applications with an EBD of more than six years ago (**$2,700–$4,000 savings**);
- Second or subsequent RCEs in applications with outstanding final office actions (**$860 savings**);
- Design applications ($**840 savings**);
- IDS submissions containing more than 50 items of information **($200–$800 savings**); and
- Applications with excess claims (**varies**).

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