**JUSTIFICATION FOR NONMATERIAL/NONSUBSTANTIVE CHANGE**

**Patent Review and Derivation Proceedings**

**OMB Control Number 0651-0069**

Background

The United States Patent and Trademark Office (UPSTO) administers the Leahy-Smith America Invents Act (AIA), Section 10, which sets or adjusts patent fees established authorized, or charged under Title 35, United States Code (U.S.C.). Section 10 prescribes that fees may be set or adjusted only to recover the aggregate estimated costs to the Office for processing, activities, services, and materials related to patent. Section 10 authorities also includes flexibility to set individual fees in a way that furthers key policies factors, while taking into account the cost of the respective services.

The request is to update the fees attached to this collection that are affected by the rulemaking NPRM 0651-AD02, and also to incorporate fees were not counted in pervious approvals. Respondent numbers are also changing due to agency discretion in conjunction with the rule.

There are eight fees being adjusted as a result of the 2016 Biennial Fee Review. These had previously been housed in collection 0651-0072 (America Invents Act Section 10 Patent Fee Adjustment), which was discontinued in March 2016.

**Table 1: Total Fee and Respondent Increases**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IC #** | **Item** | **Proposed Responses** | **Proposed Fee** | **Proposed Non-hour Burden ($)** |
| 1 | Inter Partes Review Request Fee | 1,565 | $15,500 | $24,257,500 |
| 1 | Inter Partes Review Post-Institution Fee  | 1,565 | $15,000 | $23,475,000 |
| 1 | Inter Partes Review Request of Each Claim in Excess of 20 | 4,476 | $300 | $1,342,800 |
| 1 | Inter Partes Post-Institution Request of Each Claim in Excess of 15 | 7,051 | $600 | $4,230,600 |
| 2 | Post-Grant or Covered Business Method Review Request Fee – Up to 20 Claims | 118 | $16,000 | $1,888,000 |
| 2 | Post-Grant or Covered Business Method Review Post-Institution Fee – Up to 15 Claims | 118 | $22,000 | $2,596,000 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 20 | 937 | $375 | $351,375 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 15  | 1,290 | $825 | $1,064,250 |
|  | **Totals** | **17,120** | **- - -** | **$59,205,525** |

**Table 2: Increases in Fee Amounts**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IC #** | **Item** | **Current Fee** | **Proposed Fee** | **Fee Increase** |
| 1 | Inter Partes Review Request Fee  | $9,000 | $15,500 | $6,500 |
| 1 | Inter Partes Review Post-Institution Fee | $14,000 | $15,000 | $1,000 |
| 1 | Inter Partes Review Request of Each Claim in Excess of 20 | $200 | $300 | $100 |
| 1 | Inter Partes Post-Institution Request of Each Claim in Excess of 15 | $400 | $600 | $200 |
| 2 | Post-Grant or Covered Business Method Review Request Fee – Up to 20 Claims | $12,000 | $16,000 | $4,000 |
| 2 | Post-Grant or Covered Business Method Review Post-Institution Fee – Up to 15 Claims | $18,000 | $22,000 | $4,000 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 20 | $250 | $375 | $125 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 15  | $550 | $825 | $275 |

**Table 3: Increases in Hourly Burden Respondents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IC #** | **Item** | **Current Annual Responses** | **Proposed Annual Responses** | **Increases in Responses** |
| 1 | Inter Partes Review Request Fee  | 398 | 1,565 | 1,167 |
| 1 | Inter Partes Review Post-Institution Fee  | 398 | 1,565 | 15,258 |
| 1 | Inter Partes Review Request of Each Claim in Excess of 20 | 2,788 | 4,476 | 1,688 |
| 1 | Inter Partes Post-Institution Request of Each Claim in Excess of 15 | 2,091 | 7,051 | 4,960 |
| 2 | Post-Grant or Covered Business Method Review Request Fee – Up to 20 Claims | 67 | 118 | 51 |
| 2 | Post-Grant or Covered Business Method Review Post-Institution Fee – Up to 15 Claims | 67 | 118 | 51 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 20 | 467 | 937 | 470 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 15  | 350 | 1,290 | 940 |
|  | **Totals** | **6,626** | **31,211** | **24,585** |

**Table 3: Increases in Non-Hourly Costs (Fees)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IC #** | **Item** | **Current Total Amount ($)** | **Proposed Total Cost ($)** | **Total Cost Increase** |
| 1 | Inter Partes Review Request Fee  | $3,582,000 | $24,257,500 | $20,675,500 |
| 1 | Inter Partes Review Post-Institution Fee  | $5,572,000 | $23,475,000 | $17,903,000 |
| 1 | Inter Partes Review Request of Each Claim in Excess of 20 | $557,600 | $1,342,800 | $785,200 |
| 1 | Inter Partes Post-Institution Request of Each Claim in Excess of 15 | $836,400 | $4,230,600 | $3,394,200 |
| 2 | Post-Grant or Covered Business Method Review Request Fee – Up to 20 Claims | $804,000 | $1,888,000 | $1,084,000 |
| 2 | Post-Grant or Covered Business Method Review Post-Institution Fee – Up to 15 Claims | $1,206,000 | $2,596,000 | $1,390,000 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 20 | $116,750 | $351,375 | $234,625 |
| 2 | Post-Grant or Covered Business Method Review Request of Each Claim in Excess of 15  | $192,500 | $1,064,250 | $871,750 |
|  | **Totals** | **$12,867,250** | **$59,205,525** | **$46,338,275** |

Summary of Changes

The addition of 8 fees results in the addition of $46,338,275 in non-hourly costs to collection 0651-0069. These additions account for the changes following the rulemaking action NPRM 0651-AD02.

Changes in Burden

|  |  |  |  |
| --- | --- | --- | --- |
| **Burden Type** | **Currently Approved** | **Proposed Change** | **New Estimate** |
| Respondents  | 11,349 | 0 | 11,349 |
| Burden Hours | 1,459,184 | 0 | 1,459,184 |
| Non-Hourly Cost Burden | $60,404,425.50 | $46,338,275.00 | $106,742,700.50 |

The 0651-0069 revised total non-hourly burden is as follows:

* 11,349 respondents
* 1,459,184 burden hours
* $106,742,700.50 in annual (non-hourly) costs