

Patent Fees for Small and Micro Entities Reduced by USPTO

On December 29, 2022, President Biden signed the Unleashing American Innovators Act of 2022 (the Act) into law to improve access to the U.S. patent system for solo inventors, startups and underrepresented innovators. The Act reduces patent fees before the United States Patent and Trademark Office (USPTO) for small and micro entities. Notably, the Act increases small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent. However, before taking advantage of these fees, it is essential to understand the distinction between a small entity and a micro entity.

A “small entity” is defined by 37 CFR § 1.27 as a business that, including affiliates, has fewer than 500 employees, a qualifying nonprofit organization, or an individual who has not assigned, licensed, or otherwise conveyed or promised to convey an interest in the invention to a non-small entity. To qualify as a small entity applicant, all parties holding rights to the invention must also qualify as small entities. Further, if a party qualifies as a small entity, they need only indicate as much when filing their application.

On the other hand, according to 37 CFR § 1.29, a “micro entity” must not only meet the criteria for a small entity but also qualify for micro entity status based on either having a gross income below a specified limit or deriving a majority of their income from or conveying their interest to an institution of higher education. Additionally, when applying as a micro entity based on gross income, neither the applicant nor the inventor must have been named as an inventor on more than four previously filed applications. If a party qualifies as a micro entity, separate forms are required to certify micro entity status based on gross income or institution of higher education basis.

When filing a patent application, be mindful of the correct entity basis. Doing so can significantly reduce costs. It is also important to be mindful of changes in entity status to ensure that the appropriate fees are paid. John Paul Kale or your Reinhart attorney can aid applicants and patentees in analyzing their circumstances.

POSTED:

Jan 23, 2023

RELATED PRACTICES:

[Intellectual Property](#)

<https://www.reinhartlaw.com/practices/intellectual-property>

RELATED SERVICES:

[Patent Preparation and Prosecution](#)

<https://www.reinhartlaw.com/services/patent-preparation-and-prosecution>

[Patent and Intellectual Property Litigation](#)

<https://www.reinhartlaw.com/services/patent-and-intellectual-property-litigation>

[Emerging Businesses and Early-Stage Investing](#)

<https://www.reinhartlaw.com/services/emerging-businesses>

RELATED PEOPLE:

[John Paul Kale](#)

<https://www.reinhartlaw.com/people/john-paul-kale>

These materials provide general information which does not constitute legal or tax advice and should not be relied upon as such. Particular facts or future developments in the law may affect the topic(s) addressed within these materials. Always consult with a lawyer about your particular



circumstances before acting on any information presented in these materials because it may not be applicable to you or your situation. Providing these materials to you does not create an attorney/client relationship. You should not provide confidential information to us until Reinhart agrees to represent you.