

The changes in this proposed rule will apply to any small entity who files a PCT international application in the United States Receiving Office and who requests a search by the United States International Searching Authority. The Office received between 52,000 and 53,000 PCT international applications in each of fiscal years 2006 and 2007. There is no provision in 35 U.S.C. 376 (or elsewhere) for a small entity reduction for the transmittal or search fees for an international application. Thus, PCT applicants do not indicate and the Office does not record whether a PCT application is by a small entity or a non-small entity. The Office's PALM and Revenue Accounting and Management (RAM) systems indicate that 12,043 of the PCT international applications in fiscal year 2006 claim

priority to a prior application (nonprovisional or provisional) that has small entity status, and that 2,559 of the PCT international applications in fiscal year 2006 do not claim priority to any prior nonprovisional application or provisional application. The Office's PALM and RAM systems indicate that 12,716 of the PCT international applications in fiscal year 2007 claim priority to a prior application (nonprovisional or provisional) that has small entity status, and that 4,016 of the PCT international applications in fiscal year 2007 do not claim priority to any prior nonprovisional application or provisional application.

4. *Description of the projected reporting, recordkeeping and other compliance requirements of the proposed rules, including an estimate of*

the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record: This notice does not propose any reporting, recordkeeping and other compliance requirements. This notice proposes only to adjust the PCT transmittal and search fees. As discussed previously, there is no provision in 35 U.S.C. 376 (or elsewhere) for a small entity reduction for the search fees for an international application. The following table (Table 1) indicates the PCT international stage fee, the number of payments of the fee received by the Office in fiscal year 2007 (number of entities who paid the applicable fee in fiscal year 2007), the current fee amount, the proposed fee amount, and the net amount of the fee adjustment.

TABLE 1

Fee	Fiscal year 2007 payments	Current fee amount	Proposed fee amount	Fee adjustment
Transmittal Fee	\$54,335	\$300.00	\$415.00	\$115.00
Search Fee	30,965	1,800.00	2,225.00	425.00
Supplemental Search Fee	941	1,800.00	2,225.00	425.00

The PCT international search fee and supplemental search fee were adjusted from \$1,000.00 to \$1,800.00 in November of 2007. *See April 2007 Revision of Patent Cooperation Treaty Procedures*, 72 FR 51559 (Sept. 10, 2007), 1323 *Off. Gaz. Pat. Office* 26 (Oct. 2, 2007) (final rule). Thus, the change to the search and supplemental search fee proposed in this notice is a \$425.00 increase over the current search fee and supplemental search fee set in November of 2007, and a \$1,225.00 increase over the search fee and supplemental search fee that was in effect prior to November of 2007.

The PCT does not preclude United States applicants from filing patent applications directly in the patent offices of those countries which are Contracting States of the PCT (with or without previously having filed a regular national application under 35 U.S.C. 111(a) or 111(b) in the United States) and taking advantage of the priority rights and other advantages provided under the Paris Convention and the World Trade Organization (WTO) administered Agreement on Trade-Related Aspects of Intellectual Property (TRIPs Agreement). *See MPEP 1801*. That is, the PCT is not the exclusive mechanism for seeking patent protection in foreign countries, but is instead simply an optional alternative route available to United States patent applicants for seeking patent protection

in those countries that are Contracting States of the PCT. *See id.*

In addition, an applicant filing an international application under the PCT in the United States Receiving Office (the United States Patent and Trademark Office) is not required to use the United States Patent and Trademark Office as the International Searching Authority. The European Patent Office (except for applications containing business method claims) or the Korean Intellectual Property Office may be selected as the International Searching Authority for international applications filed in the United States Receiving Office. The applicable search fee if the European Patent Office is selected as the International Searching Authority European is currently \$2,496.00 (set by the European Patent Office), and the applicable search fee if the Korean Intellectual Property Office is selected as the International Searching Authority is currently \$244.00 (set by the Korean Intellectual Property Office).

5. *Description of any significant alternatives to the proposed rules which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the proposed rules on small entities:* The alternative of not adjusting the PCT transmittal and search fees would have a lesser economic impact on small entities, but would not accomplish the stated objectives of applicable statutes.

See 35 U.S.C. 41(d) (requires that fees set by the Office recover the estimated average cost to the Office of the processing, services, or materials).

6. *Identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap or conflict with the proposed rules:* The Office is the sole agency of the United States Government responsible for administering the provisions of title 35, United States Code, pertaining to examination and granting patents. Therefore, no other federal, state, or local entity shares jurisdiction over the examination and granting of patents.

The Office previously proposed changes to adjust the patent fees set by statute to reflect fluctuations in the Consumer Price Index (CPI). *See Revision of Patent Fees for Fiscal Year 2009*, 73 FR 31655 (June 3, 2008) (proposed rule). The changes proposed in that rule making do not duplicate, overlap, or conflict with the changes proposed in this notice.

Other countries, however, have their own patent laws, and an entity desiring a patent in a particular country must make an application for patent in that country, in accordance with the applicable law. Although the potential for overlap exists internationally, this cannot be avoided except by treaty (such as the Paris Convention for the Protection of Industrial Property, or the PCT). Nevertheless, the Office believes

that there are no other duplicative or overlapping rules.

B. Executive Order 13132 (Federalism): This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

C. Executive Order 12866 (Regulatory Planning and Review): This rule making has been determined to be significant for purposes of Executive Order 12866 (Sept. 30, 1993), as amended by Executive Order 13258 (Feb. 26, 2002) and Executive Order 13422 (Jan. 18, 2007).

D. Executive Order 13175 (Tribal Consultation): This rule making will not: (1) Have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

E. Executive Order 13211 (Energy Effects): This rule making is not a significant energy action under Executive Order 13211 because this rule making is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

F. Executive Order 12988 (Civil Justice Reform): This rule making meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

G. Executive Order 13045 (Protection of Children): This rule making is not an economically significant rule and does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

H. Executive Order 12630 (Taking of Private Property): This rule making will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

I. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the final rule and other required information to the U.S. Senate, the U.S. House of Representatives and the Comptroller General of the Government

Accountability Office. The changes proposed in this notice are not expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this rule making is not likely to result in a "major rule" as defined in 5 U.S.C. 804(2).

J. Unfunded Mandates Reform Act of 1995: The changes proposed in this notice do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. *See* 2 U.S.C. 1501 *et seq.*

K. National Environmental Policy Act: This rule making will not have any effect on the quality of environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. *See* 42 U.S.C. 4321 *et seq.*

L. National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are inapplicable because this rule making does not contain provisions which involve the use of technical standards.

M. Paperwork Reduction Act: The changes proposed in this notice involve information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The collection of information involved in this notice has been reviewed and approved by OMB under OMB control number 0651-0021. The Office is not resubmitting an information collection package to OMB for its review and approval because the changes proposed in this notice concern revised fees for existing information collection requirements associated with the information collection under OMB control number 0651-0021. The Office will submit fee revision changes to the inventory of the information collection under OMB control number 0651-0021

if the changes proposed in this notice are adopted.

Comments are invited on: (1) Whether the collection of information is necessary for proper performance of the functions of the agency; (2) the accuracy of the agency's estimate of the burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information to respondents.

Interested persons are requested to send comments regarding these information collections, including suggestions for reducing this burden, to: (1) The Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, NW., Washington, DC 20503, Attention: Desk Officer for the Patent and Trademark Office; and (2) Robert A. Clarke, Director, Office of Patent Legal Administration, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and record keeping requirements, Small Businesses.

Accordingly, the Office proposes to amend 37 CFR part 1 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for 37 CFR part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2).

2. Subpart C of 37 CFR part 1 is amended immediately before the undesignated center heading "General Information" to include the following authority citation:

Authority: Sections 1.401 through 1.499 also issued under 35 U.S.C. 351 through 376.

3. Section 1.445 is amended by revising paragraphs (a)(1), (a)(2) and (a)(3) to read as follows:

§ 1.445 International application filing, processing and search fees.

(a) * * *

