

USPTO Section 10 Fee Setting – Activity-Based Information and Costing Methodology

This document provides additional detail on the costing methodologies used to derive the historical costs outlined in the Table of Patent Fee Changes. Five sections are included:

- I. **Background:** Provides background information on the Activity-Based Information (ABI) program at the US Patent and Trademark Office (USPTO).
- II. **Objective:** Outlines the detailed objective(s) of the ABI program in estimating historical costs by activity using Activity-Based Costing (ABC) cost models.
- III. **Foundational Elements:** Discusses the key components of the ABI costing methodology.
- IV. **Fully Burdened Costs:** Explains the approach for calculating the full cost of patent processes and activities.
- V. **Fee Cost Calculation:** Outlines the three major approaches for a fee cost calculation based on the fully burdened cost of patent processes and activities. Also provides historical fee unit cost information.

Questions related to the ABI program or methodologies discussed in the narrative are welcome. For further information contact Michelle Picard, Office of the Chief Financial Officer, by telephone at (571) 272-6354.

SECTION I: BACKGROUND

While there are numerous regulations that require agencies to track and report the cost of program delivery, the Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, issued July 1995, outlines the key federal managerial cost accounting (MCA) requirements. In 1997, the United States Patent and Trademark Office (USPTO or Office) instituted the Activity-Based Information (ABI) program to comply with prevailing federal managerial cost accounting standards, and inform decisions based on sound business principles. The USPTO ABI program is examined each year as part of the financial statement audit and no internal control weaknesses concerning the ABI methodology or data have been reported. An independent verification and validation study was also conducted on the ABI program in 2009 which identified the USPTO ABI program as a best practice in federal government. Since the inception of the program, ABI methodologies have continuously improved and are consistently used to inform fee setting, budgeting, performance reporting, financial statement (Statement of Net Costs) preparation, business decision-making and ad-hoc cost analyses and studies.

The USPTO ABI program maintains a cost model for each business organization to capture and determine historical costs on a per-process or per-service basis, and to determine the costs associated with the specific fees included in the rulemaking for setting and adjusting patent fees. The ABI fee cost analysis methodology follows the full cost guidance outlined in OMB circular A-25 and the fee setting guidance outlined in the Government Accountability Office (GAO) report on Federal User Fees ([Federal User Fees: A Design Guide](#), GAO-08-386SP (May 2008)).

To ensure the ABI cost models keep pace with the changing environment, improvements are made to the models and allocation methodologies each year.

To facilitate agency-wide collaboration and transparency in the ABI program, the ABI Steering Committee was established and is the official oversight body for all topics related to the USPTO ABI program and ABC data. This committee is chaired by the Office of the Chief Financial Officer with representatives from all USPTO business organizations. The governance of the ABI program and all changes to the cost assignment and allocation methodology are managed and approved by the Steering Committee.

The Office finds reviewing the trend of ABI historical cost information the most useful way to inform fee setting. Therefore, the past three years of data is provided in this document. When reviewing this information, the reader should consider the USPTO's changing environment from FY 2009 through FY 2011. For example, in FY 2009, the Office experienced one of the most constricted financial years in history during the economic recession – this dictated spending decisions different than those in FY 2010 and FY 2011. The Office began recovering from the FY 2009 economic recession during FY 2010, but was not provided authorization to spend the fees collected until the end of FY 2010. FY 2011 brought more resources, including the fees collected in FY 2010, permitting the Office to begin increasing its hiring efforts. However, resources available were still below that which was planned due to the unavailability of the 15 percent surcharge on certain patent fees until the end of FY 2011, after enactment of the *Leahy-Smith America Invents Act*. During the fluctuating fiscal environments between 2009 and 2011, the USPTO continued to use its resources wisely by directing spending to those areas providing the best short term, and where financially feasible, long term production benefits, making patent

process improvements, negotiating changes to the examiner count system, and hiring and training patent examiners. Therefore, the ABI cost information should be reviewed within the context of its surrounding fiscal environment and the “mathematical” result of these financial and operational circumstances should, where appropriate, be reviewed over a multiple year period. For this reason, the Office provides the three-year historical trend. However, the latest fiscal year data available is calculated using the cost model most representative of current operations.

SECTION II: OBJECTIVE

The ABI cost models and supporting fee cost analyses provide the full cost of activities related to the examination of patents. To do so, the ABI program analyzes direct costs across different Patent processes and activities and appropriately assigns or allocates support and business sustaining costs from within and outside the Patent organization. Cost information is analyzed and reported at different organizational and process levels for management use such as informing budget formulation, monitoring execution, performance reporting, development of the Statement of Net Cost and supporting the USPTO fee-setting process.

The ABI fee cost analysis and all historical expenses and workload counts referenced in this document are based on FY 2011, FY 2010 and FY 2009 data. The ABI program provides historical cost data that reflects expenses within the USPTO financial environment and operational environment (e.g., process improvement, reengineering activities, and patent production priorities). It should be noted that ABI cost information is not the equivalent of the USPTO budget. Budgetary data represents an estimate of the time period prospective costs will be funded (obligations) and is forward-looking, while ABI cost data is historical expense information, regardless of the year in which the expense was funded. USPTO operations are highly dynamic and the Office strives to improve processes every year.

SECTION III: FOUNDATIONAL ELEMENTS

Program, Project, and Activity (PPA) Codes

In accordance with the Common Government-wide Accounting Classification (CGAC) structure, the USPTO uses codes to categorize labor and non-labor financial transactions against programs, projects and activities. Programs, Projects, and Activities (PPAs) are a set of three individual codes used in combination to form an accounting string that provides business information—including hours worked and costs incurred. Each code provides unique information and allows employees, analysts, and decision-makers to establish relationships between costs and the work performed. Each PPA combination appears as one string in the USPTO financial management and time reporting systems.

- A **Program** is a group of activities directed towards a high-level process or system. Programs are often strategic in nature, relate to budget decisions, or have long-term outcomes.
- A **Project** is a planned undertaking in support of a program. Projects always have a beginning and end date. However, a project code is optional and not always used.
- An **Activity** is a group of tasks performed to produce or deliver products and services. Activities are always in support of projects and programs.

A program code and activity code are required and are used to track all labor and non-labor costs at the USPTO. For example, patent examination hours are recorded to a program code titled, “Patent Examination and Application Management” and an activity code titled “Prepare All Examiner Actions”, with no specific project code because it is an ongoing operational activity with no planned end date. However, many IT programs and activities maintain project codes, such as the Patent Application and Location Monitoring (PALM) New Count Program, to

accumulate cost with planned beginning and end dates against a specific initiative to update PALM for the count system changes.

Similarly, non-patent organizations also capture costs against PPA combinations that define the type of work performed by the support organization. These costs are then allocated in each support organization business model to Patent activities based on cost drivers. Allocation of costs from outside the Patent organization is a crucial step in the development of the fully burdened cost of patent processes and activities (see Section IV: Fully Burdened Costs).

The driver selection for assigning costs from outside the Patent organization follows the guidance set forth by the FASAB Managerial Cost Accounting Standard #4. The hierarchy of driver selection is based upon the following, in order of preference:

- 1) Direct Trace (Code-Driven): At the USPTO, the majority of costs are driven based on the Program, Project and Activity Codes (PPAs) which are reported by employees in the time reporting system (compensation) as well as on requisitions (non-compensation). The tasks identified by the PPA for labor or on requisitions are in support of a particular activity and program. An example of a PPA direct trace driver is Budget Formulation and Justification for the Patent business unit. This cost is incurred in the Office of the Chief Financial Officer and based on the PPA code is directly assigned to the Patent organization.
- 2) Cause and Effect: Costs are also assigned on a cause and effect basis if direct trace is not readily available. Examples of cause and effect drivers are workloads such as:
 - a. *Usage Based Drivers: # of transactions, # of vouchers, # of servers by business unit, etc.*

- b. *Resource Based Drivers: Full-time Equivalents (FTEs) by business area, FTE + Contractor, Revenue, etc.*

For example, helpdesk costs (accumulated using PPA codes) from the Office of the Chief Information Officer are allocated to benefitting business units (including Patents) based on *the # of help desk tickets* by business unit.

- 3) Reasonable and Consistent basis: The final method of allocating costs is spreading them on a reasonable and consistent basis. Business sustaining costs that cannot be attributable to any core business function should be assigned globally based on a simple, visible, and non-controversial method. An example of this is the Office of Chief Administrative Officer (CAO) “provide personnel suitability investigative security clearance” activity which is allocated to the business units based on the "number of FTEs + contractors".

Finally, the cost drivers are reviewed, approved, and recorded by the ABI Steering Committee, which includes members from all business organizations and is chaired by the Office of the Chief Financial Officer.

Within the Patent organization, PPA codes reflect the type of activity performed. For example, the PPA code for the activity “processing a new utility application” within the program “Patent Examination and Application Management”, is PPEAAM-0000-112521. For the examination activity, the examiners charge a single PPA code for any work associated with the primary examination activities. This activity code has averaged 44% of Patent direct expense during the past three fiscal years. In order to break out the cost of this PPA code into the discrete activities that constitute the examination process, an annual survey is conducted to determine the percentage of time spent performing each activity. The survey results are then used to drive the

total expenses charged (for this PPA code) by each technology center to the individual activities.

The survey allocates each technology center's examination time to the following activities:

- 1) analyzing a new application;
- 2) conducting an initial search for a new application;
- 3) preparing the first Office action on the merits for a new application (does not include the first Office action after the filing of a request for continued examination (RCE));
- 4) conducting a subsequent search for the application (includes after the filing of a RCE);
- 5) preparing a subsequent Office action for the application (includes the first Office action after the filing of a RCE);
- 6) considering an information disclosure statement;
- 7) preparing responses to after-final submissions; and
- 8) preparing correspondence to the Board of Patent Appeals and Interferences (BPAI).

The survey is conducted with a random sample of Patent Examiners that have three (3) plus years of experience, are GS-9 and above, and are not in a supervisory position. A random pool of participants is derived by the Office of Patent Quality Assurance. From that selected pool, the Office of Patent Quality Assurance then calculates the appropriate sample size for each technology center. Across Federal agencies, the survey is widely used as an established process to allocate cost to a lower level of detail. Selected reports from the GAO study on Managerial Cost Accounting practices at major Federal agencies (GAO-06-1002R, Sep 21 and 2006 and GAO-06-599R, Apr 18, 2006) highlight the use of surveys to allocate cost.

SECTION IV: FULLY BURDENED COSTS

The USPTO's ABI fee cost analysis identifies the "fully burdened" cost of all Patent activities. Approximately ninety patent activities based on PPA codes are captured in the patent ABC model and are rolled up into the following eleven processes:

- 1) Pre-examination
- 2) Examination
- 3) Post-examination
- 4) Maintenance Fees
- 5) Patent Cooperation Treaty
- 6) Classification
- 7) Board of Patent Appeals and Interferences
- 8) Examination - Secondary – Management, Training, Leave, etc.
- 9) Pre-Grant Publication
- 10) Board of Patent Appeals and Interferences – Secondary - Management, Training, Leave, etc.
- 11) Dissemination Activities

The activity costs include all technology center costs and can be analyzed to include or exclude costs from particular technology center(s). Thus, for a design fee code, the model can provide design technology center examination costs only. Patent process costs are displayed by ABI activity later in this section in Table 1. The activity costs displayed in Table 1 include costs from all technology centers. Costs from outside the Patent organization are also included.

DIRECT AND INDIRECT COSTS

The cost model compiles costs for each specified activity, including the direct costs and an appropriate allocation of indirect costs. Direct costs are those expenses that are budgeted, managed, and charged directly within the Patents organization (e.g., personnel compensation, contractual services, supplies and materials, property and equipment, etc.) and those that benefit the Patent process directly, but may be budgeted and managed within another organization (e.g., rent, patent specific information technology (IT) system expenses, etc.), and are then allocated to the Patent organization using a cost driver. For accumulating total patent business expenses, indirect costs are those that originate outside of the direct Patents organization in a support organization, but are assigned to the Patents organization through various allocation cost drivers because they facilitate Patent services or contribute to Patent products indirectly (i.e. IT infrastructure and support, human resources, financial management, legal, and other administrative expenses, etc.).

Direct costs that originate within the Patent organization are generally assigned to processes and activities based on PPA codes. There are two types of activities within the patent cost model – Primary and Secondary activities. Primary Activities are activities that represent functions and processes essential to the mission of the division such as Perform Initial Search and Prepare Initial First Office Action on the Merits. The non-primary duties of an organization are classified as secondary activities in the cost model. These activities represent the costs such as annual leave, training, and management and supervision. Secondary activity costs are reallocated to the primary activity costs.

Direct and Indirect costs from outside the Patent organization are assigned to the patent activities based on the type of cost. For example, the Application Image Retrieval System's (AIRS) cost from the OCIO model is assigned to initial search and subsequent search activities in the Patent model. On the other hand, indirect costs such as housekeeping costs are first assigned to the patent organization (model) based on the "number of FTEs + contractors," and then allocated to all patent activities based on the relative direct cost of activities. During the past five fiscal years (i.e., FY 2007 through FY 2011), on average, direct costs accounted for 83% of the Patent business operating expenses while the remaining 17% were from indirect costs. The direct cost for an activity plus the indirect cost constitute the "fully burdened" cost for that activity.

PROCESS AND ACTIVITY COSTS

The processes and activities identified in Table 1 below are all Patent costs, including direct and indirect expenses, for FY 2009, FY 2010 and FY 2011. The activities and related costs included in Section V: FEE COST CALCULATION are only those relevant to the proposed fee revisions discussed and are therefore a subset of the total Patent costs shown here in Table 1.

Note: Fiscal year 2009 and 2010 are included for comparison purposes. While the overall methodology is consistent across all three years, there have been incremental improvements to the model in order to calculate the activity costs and fees for a particular year.

TABLE 1 – FY 2009, FY 2010 and FY 2011 Fully Burdened Activity Costs

Patent Activity	FY 2009	FY 2010	FY 2011
Process 1 - Pre-Examination	\$ 62,271,951	\$ 61,988,045	\$ 64,440,395
1.01 - Process Incoming Paper	\$ 1,661,907	\$ 1,276,181	\$ 1,306,818
1.02 - Process Application Fees	\$ 895,398	\$ 741,695	\$ 775,560
1.03 - Application Indexing/Scanning	\$ 33,901,686	\$ 38,665,946	\$ 41,340,283
1.04 - Routing Classification/Security Screening	\$ 6,028,977	\$ 2,081,516	\$ 2,154,488
1.05 - Second-level Security Screening and L&R Processing	\$ 864,093	\$ 680,481	\$ 680,209
1.06 - Conduct Formalities Review	\$ 16,448,325	\$ 15,929,082	\$ 15,566,634
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,471,564	\$ 2,613,144	\$ 2,616,403
Process 2 – Examination¹	\$ 1,518,783,787	\$ 1,553,908,271	\$ 1,672,973,888
2.01 - Tech Support Application Process	\$ 29,621,830	\$ 31,054,194	\$ 33,372,929
2.02 - Classification and Assignment by Art Unit	\$ 13,074,600	\$ 12,169,428	\$ 9,634,420
2.03 - Analyze New Application*	\$ 150,230,656	\$ 177,650,976	\$ 182,595,058
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,370,628	\$ 12,494,927	\$ 13,352,532
2.05 - Perform Initial Search*	\$ 423,348,465	\$ 479,085,672	\$ 497,642,754
2.06 - Prepare Initial FAOM (excluding RCEs)*	\$ 223,459,855	\$ 248,419,202	\$ 273,457,645
2.07 - Consider IDS (Information Disclosure Statement)*	\$ 71,857,502	\$ 62,834,818	\$ 70,341,794
2.08 - Prepare All Subsequent Actions*	\$ 300,612,897	\$ 243,921,298	\$ 263,388,781
2.09 - Perform Subsequent Search*	\$ 171,708,578	\$ 161,848,004	\$ 192,266,462
2.10 - Prepare After Final Response*	\$ 18,666,228	\$ 25,331,251	\$ 31,614,753
2.11 - Applicant Interviews	\$ 13,578,956	\$ 18,824,980	\$ 19,697,398
2.12 - Internal Deliberations	\$ 2,255,816	\$ 2,582,398	\$ 3,119,403
2.13 - Communications to the Board of Appeals*	\$ 9,437,742	\$ 13,438,834	\$ 14,428,180
2.15 - Quality Review After Tech Center	\$ 11,936,534	\$ 9,686,515	\$ 9,433,479
2.16 - Quality Review of Tech Support Staff	\$ 708,112	\$ 511,387	\$ 404,081
2.19 - Paralegal PCT Review (Patent Legal Research Center)	\$ 781,653	\$ 928,006	\$ 973,104
2.20 - Prepare PCT Search Report and Written Opinion (Contractor Effort)	\$ 40,234,293	\$ 28,306,579	\$ 26,171,198
2.21 - Prepare PCT Search Report (Contractor QR Effort/Oversight)	\$ 959,776	\$ 595,334	\$ 559,162
2.23 - Processing Re-Examinations	\$ 18,715,252	\$ 19,988,049	\$ 26,417,066
2.24 – Petitions	\$ 4,224,412	\$ 4,236,420	\$ 4,103,686

¹ Those activities with an asterisk in Process 2 are those examination activities captured in the annual examiner survey.

TABLE 1 – FY 2009, FY 2010 and FY 2011 Fully Burdened Activity Cost

Patent Activity	FY 2009	FY 2010	FY 2011
Process 3 - Post-Examination	\$ 47,267,756	\$ 59,174,024	\$ 67,149,749
3.01 - Initial Data Capture	\$ 29,990,828	\$ 37,733,633	\$ 43,910,061
3.03 - Quality Control and Tracking Activities	\$ 2,218,733	\$ 2,124,367	\$ 2,379,632
3.04 - Print and Assembly Patent for Publication	\$ 1,304,070	\$ 2,544,699	\$ 1,946,473
3.05 - Quality Assurance - Database Inspection	\$ 1,422,469	\$ 1,366,838	\$ 1,389,165
3.06 - Quality Assurance - Certificates of Correction	\$ 1,547,000	\$ 1,688,115	\$ 1,887,070
Process 4 - Maintenance Fees	\$ 694,535	\$ 527,011	\$ 3,796,406
4.01 - Support Patent Maintenance System	\$ 694,535	\$ 527,011	\$ 3,796,406
Process 5 - Patent Cooperation Treaty	\$ 16,261,997	\$ 17,397,624	\$ 17,118,926
5.01 - Initial Bibliographic Data Entry	\$ 2,279,410	\$ 2,200,071	\$ 1,852,177
5.02 - Chapter I Formalities Review	\$ 5,244,359	\$ 4,510,847	\$ 4,556,733
5.03 - Copy and Mailings	\$ 720,035	\$ 1,010,544	\$ 1,186,300
5.04 - Chapter II Formalities Review	\$ 222,290	\$ 86,265	\$ 93,812
5.06 - Perform Processing Section Functions	\$ 205,290	\$ 214,079	\$ 277,409
5.07 - Process US National Stage Application	\$ 5,147,172	\$ 7,181,704	\$ 6,723,234
5.09 - Perform PCT File Maintenance	\$ 327,163	\$ 340,993	\$ 345,327
5.10 - Petitions (International and 371) - PCT Legal	\$ 2,116,278	\$ 1,853,123	\$ 2,083,935
Process 7 - Board of Patent Appeals and Interferences	\$ 39,984,572	\$ 41,341,997	\$ 41,345,992
7.01 - Prepare Appeals for Decision	\$ 7,316,374	\$ 7,572,947	\$ 7,545,274
7.02 - Processing Interferences	\$ 161,957	\$ 70,127	\$ 69,081
7.03 - Prepare Appeals for Oral Hearing Docket and Preparation	\$ 191,542	\$ 341,212	\$ 301,614
7.04 - Prepare Interferences for Oral Hearing and Preparation	\$ 68,372	\$ 94,657	\$ 105,455
7.05 - Declaration of Interference	\$ 113,153	\$ 100,021	\$ 111,241
7.06 - Prepare Decision on Appeal	\$ 30,984,944	\$ 31,868,305	\$ 32,087,492
7.07 - Prepare Decision on Interference Interlocutory Matters	\$ 370,467	\$ 401,711	\$ 321,096
7.08 - Prepare Opinions on the Merits for Substantive Motions	\$ 777,763	\$ 893,017	\$ 804,739

TABLE 1 – FY 2009, FY 2010 and FY 2011 Fully Burdened Activity Costs

Patent Activity	FY 2009	FY 2010	FY 2011
Process 9 - Pre-Grant Publication	\$ 62,444,560	\$ 52,907,999	\$ 59,139,982
9.01 - Perform Early Data Capture (EDC) ²	\$ 23,585,244	\$ 2,369,334	\$ -
9.02 - PG Pub and Initial Classification	\$ 12,743,970	\$ 11,696,717	\$ 12,122,868
9.03 - PG Pub Monitoring/Tracking/Publishing of PG Pub Activities	\$ 26,115,346	\$ 38,841,948	\$ 47,017,114
Process 11 - Dissemination (related to Service Fees)	\$ 29,652,701	\$ 26,172,776	\$ 16,679,911
Final Total Expense:	\$ 1,777,361,858	\$ 1,813,417,747	\$ 1,942,645,248

²EDC was discontinued during FY 2010.

SECTION V: FEE COST CALCULATION

For the fee cost calculation analysis, the patent activities within the cost model are associated with the patent processing fee codes (fee activities) and the activity unit rates are derived accordingly. There are three general calculation approaches utilized in the ABI fee cost analyses depending on the nature of work performed for the service provided and the level of detail captured in the ABI cost model. These three approaches include fee cost based on:

- **Contributing Activity Unit Costs**
- **Contributing Activity Unit Costs Adjusted for Frequency of Occurrence**
- **Incremental Cost calculation**

The three approaches are discussed in the subsequent sub-sections along with the FY 2011, FY 2010, and FY 2009 fee unit costs calculated using each approach. The fees highlighted in this package are those proposed fees where the threshold of change from the current fee is greater than ten dollars and greater than five percent as identified in the Table of Patent Fee Changes. Table 2 identifies the fee cost calculation approach used for each fee in FY 2011. Table 3 identifies the fee unit costs for each fee for FY 2009, FY 2010 and FY 2011.

TABLE 2 – Fee codes and Calculation Methodology Approach

Fee Code	Fee Code Description	Approach
1011/2011/3011	Basic filing fee - Utility	I
1012/2012/3012	Basic filing fee - Design	I
1013/2013/3013	Basic filing fee - Plant	I
1014/2014/3014	Basic filing fee - Reissue	I
1502/2502/3502	Design issue fee	I
1511/2511/3511	Reissue issue fee	I
1551/2551/3551	Due at 3.5 years	I
1552/2552/3552	Due at 7.5 years	I
1553/2553/3553	Due at 11.5 years	I
1401/2401/3401	Notice of appeal	I
1402/2402/3402	Filing a brief in support of an appeal	I
1631/2631/3631	Basic National Stage Fee	I
1501/2501/3501	Utility Issue Fee	I
1503/2503/3503	Plant Issue Fee	I
II		
1017/2017/3017	Basic filing fee - Design CPA	II
1019/2019/3019	Basic filing fee - Design Reissue CPA	II
1111/2111/3111	Utility Search Fee	II
1113/2113/3113	Plant Search Fee	II
1114/2114/3114	Reissue Search Fee	II
1641/2641/3641	National Stage Search Fee - U.S. was the ISA	II
1642/2642/3642	National Stage Search Fee - search report prepared and provided to USPTO	II
1632/2632/3632	National Stage Search Fee - all other situations	II
1311/2311/3311	Utility Examination Fee	II
1313/2313/3313	Plant Examination Fee	II
1314/2314/3314	Reissue Examination Fee	II
1633/2633/3633	National Stage Examination Fee - all other situations	II
1112/2112/3112	Design Search Fee	II
1312/2312/3312	Design Examination Fee	II
III		
1801/2801/3801	Request for continued examination (RCE) (1st Request) (see 37 CFR 1.114)	III

TABLE 3 – FY 2009, FY 2010 and FY2011 Fee Unit Costs – Rounded Amounts

Table of Historical Patent Fee Costs				
Fee Code	Fee Code Description	FY 2009	FY 2010	FY 2011
1011/2011/3011	Basic filing fee - Utility	\$ 241	\$ 243	\$ 234
1012/2012/3012	Basic filing fee - Design	\$ 241	\$ 243	\$ 234
1013/2013/3013	Basic filing fee - Plant	\$ 241	\$ 243	\$ 234
1014/2014/3014	Basic filing fee - Reissue	\$ 239	\$ 242	\$ 233
1502/2502/3502	Design issue fee	\$ 224	\$ 231	\$ 257
1511/2511/3511	Reissue issue fee	\$ 224	\$ 231	\$ 257
1551/2551/3551	Due at 3.5 years	\$ 2	\$ 1	N/A
1552/2552/3552	Due at 7.5 years	\$ 2	\$ 1	N/A
1553/2553/3553	Due at 11.5 years	\$ 2	\$ 1	N/A
1401/2401/3401	Notice of appeal	\$ 5,008	\$ 4,960	\$ 4,799
1402/2402/3402	Filing a brief in support of an appeal	\$ 5,008	\$ 4,960	\$ 4,799
1631/2631/3631	Basic National Stage Fee	\$ 322	\$ 355	\$ 331
1501/2501/3501	Utility Issue Fee	\$ 224	\$ 231	\$ 257
1503/2503/3503	Plant Issue Fee	\$ 224	\$ 231	\$ 257
1017/2017/3017	Basic filing fee - Design CPA	\$ 728	\$ 632	\$ 715
1019/2019/3019	Basic filing fee - Design Reissue CPA	\$ 728	\$ 632	\$ 715
1111/2111/3111	Utility Search Fee	\$ 1,520	\$ 1,694	\$ 1,521
1113/2113/3113	Plant Search Fee	\$ 1,520	\$ 1,694	\$ 1,521
1114/2114/3114	Reissue Search Fee	\$ 1,523	\$ 1,694	\$ 1,521
1641/2641/3641	National Stage Search Fee - U.S. was the ISA	\$ 300	\$ 277	\$ 305
1642/2642/3642	National Stage Search Fee - search report prepared and provided to USPTO	\$ 1,523	\$ 1,694	\$ 1,521
1632/2632/3632	National Stage Search Fee - all other situations	\$ 1,523	\$ 1,694	\$ 1,521
1311/2311/3311	Utility Examination Fee	\$ 1,904	\$ 1,969	\$ 1,814
1313/2313/3313	Plant Examination Fee	\$ 1,904	\$ 1,969	\$ 1,814
1314/2314/3314	Reissue Examination Fee	\$ 1,906	\$ 1,969	\$ 1,814
1633/2633/3633	National Stage Examination Fee - all other situations	\$ 1,906	\$ 1,969	\$ 1,814
1112/2112/3112	Design Search Fee	\$ 307	\$ 448	\$ 430
1312/2312/3312	Design Examination Fee	\$ 586	\$ 517	\$ 587
1801/2801/3801	Request for continued examination (RCE) (1st Request) (see 37 CFR 1.114)	\$ 1,553	\$ 1,329	\$ 1,533

A. Contributing Activity Unit Costs

As discussed previously, the ABI model captures all costs for the Patent business, including all direct and indirect expenses. The model displays the expenses in the form of activities or work performed within the Patent organization. In this approach, ABI model activities are mapped to each fee code based on the relevant work performed for each fee. When a fee is collected, certain activities are performed. As described in Section IV, the full cost of each activity is identified in the ABI cost model. For each activity, there is a volume driver representing the workload as a measure of how many activities are performed relative to the particular cost. Workload volume data originates in various operational systems, but a majority of the workload information comes from the Patent Application and Location Monitoring system, or PALM. An example of an activity and associated driver is “Prepare Initial First Office Action on the Merits (FAOM),” with an activity driver of “number of initial FAOMs.” If the fee code is Design-related, the workload volume for first actions will be associated with Design applications and will therefore differ from the workload volume associated with Utility application fees. The full cost of the activity is divided by the relevant workload volume to determine an average unit cost by activity. This occurs for each activity associated with a fee code. Table 4 shows the workload measure associated with each patent activity in the cost model. Finally, to obtain a final full unit cost for the fee, all activity unit costs for the activities associated with that fee code are summed together and a final fully burdened fee unit cost is calculated. This calculation ultimately yields the cost to perform the activity one time.

The following fee codes are calculated using this approach: **1011, 1012, 1013, 1014, 1502, 1511, 1551, 1552, 1553, 1401, 1402, 1631, 1501 and 1503**. Tables 5, 6 and 7 provide the detail fee cost calculations. All 2000 series fee codes are the same description but for small entity. All 3000 series codes are the same description but for micro-entity. *Note: Fiscal year 2009 and 2010 are included for comparison purposes.*

FY 2011

TABLE 4 – Activities and associated workload measures

Activity Name	Driver Name
1.01 - Process Incoming Paper	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1/CH2, Provisionals)
1.02 - Process Application Fees	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1/CH2, Provisionals)
1.03 - Application Indexing/Scanning	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1/CH2, Provisionals, ReExam)
1.04 - Routing Classification/Security Screening	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1, Provisionals)
1.05 - Second-level Security Screening and L&R Processing	# of newly serialized applications (Utility, Plant, Design, CH1, Provisionals)
1.06 - Conduct Formalities Review	# of newly serialized applications (Utility, Plant, Design, Reissue, Provisionals)
1.07 - Customer Service (Pre- and Post-Examination)	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, Provisionals, ReExam)
2.01 - Tech Support Application Process	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1/CH2)
2.02 - Classification and Assignment by Art Unit	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1/CH2)
2.03 - Analyze New Application	# of FAOMs/PCT counts (for TC examiners)/IPERs
2.04 - Analyze New Application - Restrictions/Unity of Invention	# of Restrictions, PCT Lack of Unity performed by the Examiner
2.05 - Perform Initial Search	# of initial FAOMs
2.06 - Prepare Initial FAOM (excluding RCEs)	# of initial FAOMs (excludes RCE FAOMs)
2.07 - Consider IDS (Information Disclosure Statement)	# of applications with IDS
2.08 - Prepare All Subsequent Actions	# of all subsequent examiner actions
2.09 - Perform Subsequent Search	# of examiner actions following FAOM
2.10 - Prepare After Final Response	# of Advisory Actions
2.11 - Applicant Interviews	# of all FAOMs (including RCEs as this permits recapture when multiple RCEs are filed)
2.12 - Internal Deliberations	# of Allowed Applications
2.13 - Communications to the Board of Appeals	# of Examiners Answers and Interferences recommended to the Board
2.15 - Quality Review after Tech Center	# of Notice of Allowances
2.16 - Quality Review of Tech Support Staff	# of newly serialized applications (Utility, 371, Plant, Design, Reissue, CH1/CH2)
2.19 - Paralegal PCT Review (Patent Legal Research Center)	# of PCT210/PCT409/CLMP
2.20 - Prepare PCT Search Report and Written Opinion (Contractor Effort)	# of 237 Reports (by contractor - i.e. GAU 3901-3903)
2.21 - Prepare PCT Search Report (Contractor QR Effort/Contract Oversight)	# of 237 Reports (by contractor - i.e. GAU 3901-3903)
2.23A - Ex Parte Re-Examination	# of orders/rejections/denials/NIRCS/Examiners Answers (for Ex Parte ReExam)
2.23B - Inter Partes Re-Examination	# of orders/rejections/denials/NIRCS/Examiners Answers (for Inter Parte ReExam)
2.24 - Petitions	# of Petitions (Utility, Plant, Design, Reissue)

TABLE 4 – Activities and associated workload measures

Activity Name	Driver Name
3.01 - Initial Data Capture	# of Allowed Applications
3.02 - Final Data Capture	# of Issued Applications
3.03 - Quality Control and Tracking Activities	# of Allowed Applications
3.04 - Print and Assembly Patent for Publication	# of Patents Issued
3.05 - Quality Assurance - Database Inspection	# of Patents Issued
3.06 - Quality Assurance - Certificates of Correction	# of Request Received for Certificates of Correction
5.01 - Initial Bibliographic Data Entry	# of PCT and National Stage Applications Received
5.02 - Chapter I Formalities Review	# of Chapter I Applications Received
5.03 - Copy and Mailings	# of Chapter I/II/371 Applications
5.04 - Chapter II Formalities Review	# of Chapter II Applications Received
5.06 - Perform Processing Section Functions	# of Search/Examination/Lack of Unity Reports Mailed
5.07 - Process US National Stage Application	# of 371 Filings
5.09 - Perform PCT File Maintenance	# of PCT Applications Received
5.10 - Petitions (International and 371) - PCT Legal	# of Petitions (371, PCT, CH1)
9.01 - Perform Early Data Capture (EDC)	# of Applications Captured by EDC
9.02 - PG Pub and Initial Classification	# of new Utilities
9.03 (includes 9.01) - PG Pub Monitoring, Tracking, and Publishing of PG Pub Activities	# of Published PG Pub Applications

FY 2011

TABLE 5 –Approach I - FY 2011 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2011 Activity Unit Cost	Rounded Total
1011/2011/3011	Basic filing fee - Utility	1.01 - Process Incoming Paper	\$ 1,306,818	582,366	\$ 2.24	
1012/2012/3012		1.02 - Process Application Fees	\$ 4,571,966	582,366	\$ 7.85	
1013/2013/3013		1.03 - Application Indexing/Scanning	\$ 41,340,283	583,521	\$ 70.85	
		1.04 - Routing Classification/Security Screening	\$ 2,154,488	580,572	\$ 3.71	
		1.05 - Second-level Security Screening and L&R Processing	\$ 680,209	513,987	\$ 1.32	
		1.06 - Conduct Formalities Review	\$ 15,566,634	468,141	\$ 33.25	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,616,403	535,196	\$ 4.89	
		2.01 - Tech Support Application Process	\$ 33,777,010	394,301	\$ 85.66	
		2.02 - Classification and Assignment by Art Unit	\$ 9,634,420	394,301	\$ 24.43	
Total					\$ 234.21	\$ 234
1014/2014/3014	Basic filing fee - Reissue	1.01 - Process Incoming Paper	\$ 1,306,818	582,366	\$ 2.24	
		1.02 - Process Application Fees	\$ 4,571,966	582,366	\$ 7.85	
		1.03 - Application Indexing/Scanning	\$ 41,340,283	583,521	\$ 70.85	
		1.04 - Routing Classification/Security Screening	\$ 2,154,488	580,572	\$ 3.71	
		1.06 - Conduct Formalities Review	\$ 15,566,634	468,141	\$ 33.25	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,616,403	535,196	\$ 4.89	
		2.01 - Tech Support Application Process	\$ 33,777,010	394,301	\$ 85.66	
		2.02 - Classification and Assignment by Art Unit	\$ 9,634,420	394,301	\$ 24.43	
Total					\$ 232.89	\$ 233
1501/2501/3501	Utility issue fee	3.01 - Initial Data Capture	\$ 43,910,061	256,374	\$ 171.27	
1502/2502/3502		3.02 - Final Data Capture	\$ 15,637,348	246,914	\$ 63.33	
1503/2503/3503		3.03 - Quality Control and Tracking Activities	\$ 2,379,632	256,374	\$ 9.28	
1511/2511/3511		3.04 - Print and Assembly Patent for Publication	\$ 1,946,473	245,036	\$ 7.94	
		3.05 - Quality Assurance - Database Inspection	\$ 1,389,165	245,036	\$ 5.67	
Total					\$ 257.50	\$ 257

TABLE 5 –Approach I - FY 2011 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2011 Activity Unit Cost	Rounded Total
1551/2551/3551	Due at 3.5 years	4.01 - Support Patent Maintenance System				
1552/2552/3552	Due at 7.5 years					
1553/2553/3553	Due at 11.5 years					
Total					N/A	N/A
1401/2401	Notice of appeal	7.01 - Prepare Appeals for Decision	\$ 7,545,274	13,740	\$ 549.15	
1402/2402	Filing a brief in support of an appeal	7.06 - Prepare Decision on Appeal	\$ 32,087,492	7,551	\$ 4,249.44	
Total					\$ 4,798.58	\$ 4,799
1631/2631	Basic National Stage Fee	1.01 - Process Incoming Paper	\$ 1,306,818	582,366	\$ 2.24	
		1.02 - Process Application Fees	\$ 4,571,966	582,366	\$ 7.85	
		1.03 - Application Indexing/Scanning	\$ 41,340,283	583,521	\$ 70.85	
		1.04 - Routing Classification/Security Screening	\$ 2,154,488	580,572	\$ 3.71	
		1.05 - Second-level Security Screening and L&R Processing	\$ 680,209	513,987	\$ 1.32	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,616,403	535,196	\$ 4.89	
		2.01 - Tech Support Application Process	\$ 33,777,010	394,301	\$ 85.66	
		2.02 - Classification and Assignment by Art Unit	\$ 9,634,420	394,301	\$ 24.43	
		5.01 - Initial Bibliographic Data Entry	\$ 1,852,177	114,225	\$ 16.22	
		5.03 - Copy and Mailings	\$ 1,186,300	127,686	\$ 9.29	
		5.07 - Process US National Stage Application	\$ 6,723,234	65,900	\$ 102.02	
	5.09 - Perform PCT File Maintenance	\$ 345,327	127,686	\$ 2.70		
Total					\$ 331.19	\$ 331

FY 2010

TABLE 6 – Approach I - FY 2010 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2010 Activity Unit Cost	Rounded Total
1011/2011	Basic filing fee - Utility	1.01 - Process Incoming Paper	\$ 1,276,181	541,933	\$ 2.35	
1012/2012		1.02 - Process Application Fees	\$ 741,695	541,933	\$ 1.37	
1013/2013		1.03 - Application Indexing/Scanning	\$ 38,665,946	543,021	\$ 71.21	
		1.04 - Routing Classification/Security Screening	\$ 2,081,516	540,054	\$ 3.85	
		1.05 - Second-level Security Screening and L&R Processing	\$ 680,481	477,194	\$ 1.43	
		1.06 - Conduct Formalities Review	\$ 15,929,082	433,867	\$ 36.71	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,613,144	497,167	\$ 5.26	
		2.01 - Tech Support Application Process	\$ 31,054,194	357,754	\$ 86.80	
		2.02 - Classification and Assignment by Art Unit	\$ 12,169,428	357,754	\$ 34.02	
Total					\$ 243.00	\$ 243
1014/2014	Basic filing fee - Reissue	1.01 - Process Incoming Paper	\$ 1,276,181	541,933	\$ 2.35	
		1.02 - Process Application Fees	\$ 741,695	541,933	\$ 1.37	
		1.03 - Application Indexing/Scanning	\$ 38,665,946	543,021	\$ 71.21	
		1.04 - Routing Classification/Security Screening	\$ 2,081,516	540,054	\$ 3.85	
		1.06 - Conduct Formalities Review	\$ 15,929,082	433,867	\$ 36.71	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,613,144	497,167	\$ 5.26	
		2.01 - Tech Support Application Process	\$ 31,054,194	357,754	\$ 86.80	
		2.02 - Classification and Assignment by Art Unit	\$ 12,169,428	357,754	\$ 34.02	
Total					\$ 241.57	\$ 242
1501/2501	Utility issue fee	3.01 - Initial Data Capture	\$ 37,733,633	255,571	\$ 147.64	
1502/2502	Design issue fee	3.02 - Final Data Capture	\$ 13,716,372	237,161	\$ 57.84	
1503/2503	Plant issue fee	3.03 - Quality Control and Tracking Activities	\$ 2,124,367	255,571	\$ 8.31	
1511/2511	Reissue issue fee	3.04 - Print and Assembly Patent for Publication	\$ 2,544,699	234,024	\$ 10.87	
		3.05 - Quality Assurance - Database Inspection	\$ 1,366,838	234,024	\$ 5.84	
Total					\$ 230.51	\$ 231

TABLE 6 – Approach I - FY 2010 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	FY 2010			Rounded Total
			Activity Costs	Workload Volume	Activity Unit Cost	
1551/2551	Due at 3.5 years	4.01 - Support Patent Maintenance System	\$ 527,011	362,770	\$ 1.45	
1552/2552	Due at 7.5 years					
1553/2553	Due at 11.5 years					
Total					\$ 1.45	\$ 1
1401/2401	Notice of appeal	7.01 - Prepare Appeals for Decision	\$ 7,572,947	12,582	\$ 601.89	
1402/2402	Filing a brief in support of an appeal	7.06 - Prepare Decision on Appeal	\$ 31,868,305	7,312	\$ 4,358.36	
Total					\$ 4,960.24	\$ 4,960
1631/2631	Basic National Stage Fee	1.01 - Process Incoming Paper	\$ 1,276,181	541,933	\$ 2.35	
		1.02 - Process Application Fees	\$ 741,695	541,933	\$ 1.37	
		1.03 - Application Indexing/Scanning	\$ 38,665,946	543,021	\$ 71.21	
		1.04 - Routing Classification/Security Screening	\$ 2,081,516	540,054	\$ 3.85	
		1.05 - Second-level Security Screening and L&R Processing	\$ 680,481	477,194	\$ 1.43	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,613,144	497,167	\$ 5.26	
		2.01 - Tech Support Application Process	\$ 31,054,194	357,754	\$ 86.80	
		2.02 - Classification and Assignment by Art Unit	\$ 12,169,428	357,754	\$ 34.02	
		5.01 - Initial Bibliographic Data Entry	\$ 2,200,071	108,066	\$ 20.36	
		5.03 - Copy and Mailings	\$ 1,010,544	108,066	\$ 9.35	
		5.07 - Process US National Stage Application	\$ 7,181,704	62,212	\$ 115.44	
	5.09 - Perform PCT File Maintenance	\$ 340,993	108,066	\$ 3.16		
Total					\$ 354.59	\$ 355

FY 2009

TABLE 7 –Approach I - FY 2009 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Rounded Total
1011/2011	Basic filing fee - Utility	1.01 - Process Incoming Paper	\$ 1,661,907	530,497	\$ 3.13	
1012/2012		1.02 - Process Application Fees	\$ 895,398	530,497	\$ 1.69	
1013/2013		1.03 - Application Indexing/Scanning	\$ 33,901,686	531,425	\$ 63.79	
		1.04 - Routing Classification/Security Screening	\$ 6,028,977	527,799	\$ 11.42	
		1.05 - Second-level Security Screening and L&R Processing	\$ 864,093	469,045	\$ 1.84	
		1.06 - Conduct Formalities Review	\$ 16,448,325	423,817	\$ 38.81	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,471,564	482,837	\$ 5.12	
		2.01 - Tech Support Application Process	\$ 29,621,830	371,638	\$ 79.71	
		2.02 - Classification and Assignment by Art Unit	\$ 13,074,600	367,740	\$ 35.55	
Total					\$ 241.07	\$ 241
1014/2014	Basic filing fee - Reissue	1.01 - Process Incoming Paper	\$ 1,661,907	530,497	\$ 3.13	
		1.02 - Process Application Fees	\$ 895,398	530,497	\$ 1.69	
		1.03 - Application Indexing/Scanning	\$ 33,901,686	531,425	\$ 63.79	
		1.04 - Routing Classification/Security Screening	\$ 6,028,977	527,799	\$ 11.42	
		1.06 - Conduct Formalities Review	\$ 16,448,325	423,817	\$ 38.81	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,471,564	482,837	\$ 5.12	
		2.01 - Tech Support Application Process	\$ 29,621,830	371,638	\$ 79.71	
		2.02 - Classification and Assignment by Art Unit	\$ 13,074,600	367,740	\$ 35.55	
Total					\$ 239.23	\$ 239
1501/2501	Utility issue fee	3.01 - Initial Data Capture	\$ 29,990,828	209,906	\$ 142.88	
1502/2502	Design issue fee	3.02 - Final Data Capture	\$ 10,784,656	191,228	\$ 56.40	
1503/2503	Plant issue fee	3.03 - Quality Control and Tracking Activities	\$ 2,218,733	209,906	\$ 10.57	
1511/2511	Reissue issue fee	3.04 - Print and Assembly Patent for Publication	\$ 1,304,070	190,952	\$ 6.83	
		3.05 - Quality Assurance - Database Inspection	\$ 1,422,469	190,952	\$ 7.45	
Total					\$ 224.12	\$ 224

TABLE 7 –Approach I - FY 2009 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Rounded Total
1551/2551	Due at 3.5 years	4.01 - Support Patent Maintenance System	\$ 694,535	306,518	\$ 2.27	
1552/2552	Due at 7.5 years					
1553/2553	Due at 11.5 years					
Total					\$ 2.27	\$ 2
1401/2401	Notice of appeal	7.01 - Prepare Appeals for Decision	\$ 7,316,374	15,483	\$ 472.54	
1402/2402	Filing a brief in support of an appeal	7.06 - Prepare Decision on Appeal	\$ 30,984,944	6,832	\$ 4,535.27	
Total					\$ 5,007.81	\$ 5,008
1631/2631	Basic National Stage Fee	1.01 - Process Incoming Paper	\$ 1,661,907	530,497	\$ 3.13	
		1.02 - Process Application Fees	\$ 895,398	530,497	\$ 1.69	
		1.03 - Application Indexing/Scanning	\$ 33,901,686	531,425	\$ 63.79	
		1.04 - Routing Classification/Security Screening	\$ 6,028,977	527,799	\$ 11.42	
		1.05 - Second-level Security Screening and L&R Processing	\$ 864,093	469,045	\$ 1.84	
		1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,471,564	482,837	\$ 5.12	
		2.01 - Tech Support Application Process	\$ 29,621,830	371,638	\$ 79.71	
		2.02 - Classification and Assignment by Art Unit	\$ 13,074,600	367,740	\$ 35.55	
		5.01 - Initial Bibliographic Data Entry	\$ 2,279,410	106,680	\$ 21.37	
		5.03 - Copy and Mailings	\$ 720,035	106,680	\$ 6.75	
	5.07 - Process US National Stage Application	\$ 5,147,172	58,092	\$ 88.60		
	5.09 - Perform PCT File Maintenance	\$ 327,163	106,680	\$ 3.07		
Total					\$ 322.05	\$ 322

B. Contributing Activity Unit Cost Adjusted for Frequency of Occurrence

This approach builds upon the contributing activity unit cost approach discussed previously in Section V, Sub-Section A. For each fee, activity costs are identified for the relevant activities, the activity cost is divided by the driver volume, and the activity unit cost is calculated. However, in some cases, for a given fee code, there may be an activity that is typically performed multiple times for every application rather than just once. Similarly, there may be other activities that are not always performed for every application. This is termed “frequency of occurrence” in the ABI fee cost analyses. In such cases, to adjust for the frequency of occurrence, the activity driver volume as it relates to the total fee-code workload is statistically analyzed for the particular activity in question. Detailed data from the workload system is extracted for the given period and associated with the various activities and fee codes. A percentage factor is derived which identifies how often that activity occurs for the particular fee code. This frequency factor is then applied to the average unit cost for each activity to determine the final activity unit cost. The relevant activity unit costs are then summed to determine an adjusted full unit cost for the fee.

The following fee codes are calculated using this approach: **1017, 1019, 1111, 1112, 1113, 1114, 1641, 1642, 1632, 1311, 1312, 1313, 1314 and 1633**. Tables 8, 9, 10 and 11 provide the detail fee cost calculations. .All 2000 series fee codes are the same description but for small entity. All 3000 series codes are the same description but for micro-entity. *Note: Fiscal year 2009 and 2010 are included for comparison purposes.*

FY 2011

TABLE 8 –Approach II - FY 2011 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2011 Activity Unit Cost	Frequency Factor Adjustment	FY 2011 Final Adjusted Unit Cost	Rounded Total
1111/2111	Utility Search Fee	2.05 - Perform Initial Search	\$ 488,656,820	386,485	\$ 1,264.36	96.20%	\$ 1,216.33	
1113/2113	Plant Search Fee	2.09 - Perform Subsequent Search	\$ 190,677,283	582,618	\$ 327.28	93.22%	\$ 305.08	
1114/2114	Reissue Search Fee							
1642/2642	National Stage Search Fee - search report prepared and provided to USPTO							
1632/2632	National Stage Search Fee - all other situations							
Total							\$ 1,521.40	\$ 1,521
1641/2641	National Stage Search Fee - U.S. was the ISA	2.09 - Perform Subsequent Search	\$ 190,677,283	582,618	\$ 327.28	93.22%	\$ 305.08	
Total							\$ 305.08	\$ 305
1311/2311	Utility Examination Fee	2.03 - Analyze New Application	\$ 184,568,342	410,942	\$ 449.13	96.20%	\$ 450.33	
1313/2313	Plant Examination Fee	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,501,057	90,774	\$ 148.73	24.63%	\$ 36.55	
1633/2633	National Stage Examination Fee - all other situations	2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 276,410,132	410,942	\$ 672.63	96.20%	\$ 673.96	
1314/2314	Reissue Examination Fee	2.07 - Consider IDS (Information Disclosure Statement)	\$ 71,101,846	436,605	\$ 162.85	89.06%	\$ 146.81	
		2.08 - Prepare All Subsequent Actions	\$ 266,232,952	591,087	\$ 450.41	93.22%	\$ 419.96	
		2.10 - Prepare After Final Response	\$ 31,955,379	70,702	\$ 451.97	5.92%	\$ 26.73	
		2.11 - Applicant Interviews	\$ 19,920,387	111,481	\$ 178.69	20.20%	\$ 35.92	
		2.12 - Internal Deliberations	\$ 3,154,969	25,646	\$ 123.02	3.48%	\$ 4.29	
		2.13 - Communications to the Board of Appeals	\$ 14,583,271	13,032	\$ 1,119.04	1.71%	\$ 19.12	
Total							\$ 1,813.66	\$ 1,814

TABLE 8 –Approach II - FY 2011 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2011 Activity Unit Cost	Frequency Factor Adjustment	FY 2011 Final Adjusted Unit Cost	Rounded Total
1017/2018	Basic filing fee - Design (CPA)	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 333,497	2,025	\$ 164.69	0.16%	\$ 0.27	
1019/2020	Basic filing fee - Design Reissue (CPA)	2.07 - Consider IDS (Information Disclosure Statement)	\$ 788,471	10,059	\$ 78.38	9.45%	\$ 7.41	
		2.08 - Prepare All Subsequent Actions	\$ 3,749,336	8,469	\$ 442.71	109.93%	\$ 486.70	
		2.09 - Perform Subsequent Search	\$ 1,589,185	8,469	\$ 187.65	109.93%	\$ 206.29	
		2.10 - Prepare After Final Response	\$ 201,409	391	\$ 515.11	0.98%	\$ 5.03	
		2.11 - Applicant Interviews	\$ 187,693	503	\$ 373.15	2.12%	\$ 7.90	
		2.12 - Internal Deliberations	\$ 2,147	71	\$ 30.24	0.81%	\$ 0.25	
		2.13 - Communications to the Board of Appeals	\$ 11,398	37	\$ 308.05	0.49%	\$ 1.51	
Total							\$ 715.35	\$ 715
1112/2112	Design Search Fee	2.05 - Perform Initial Search	\$ 8,986,617	24,344	\$ 369.15	99.12%	\$ 365.91	
		2.09 - Perform Subsequent Search	\$ 1,589,185	8,469	\$ 187.65	34.38%	\$ 64.51	
Total							\$ 430.42	\$ 430
1312/2312	Design Examination Fee	2.03 - Analyze New Application	\$ 3,596,372	24,344	\$ 147.73	100.00%	\$ 147.73	
		2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 333,497	2,025	\$ 164.69	7.09%	\$ 11.68	
		2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 5,569,265	24,344	\$ 228.77	99.12%	\$ 226.77	
		2.07 - Consider IDS (Information Disclosure Statement)	\$ 788,471	10,059	\$ 78.38	40.37%	\$ 31.64	
		2.08 - Prepare All Subsequent Actions	\$ 3,749,336	8,469	\$ 442.71	34.38%	\$ 152.19	
		2.10 - Prepare After Final Response	\$ 201,409	391	\$ 515.11	1.58%	\$ 8.14	
		2.11 - Applicant Interviews	\$ 187,693	503	\$ 373.15	2.23%	\$ 8.33	
		2.12 - Internal Deliberations	\$ 2,147	71	\$ 30.24	0.21%	\$ 0.06	
		2.13 - Communications to the Board of Appeals	\$ 11,398	37	\$ 308.05	0.12%	\$ 0.38	
Total							\$ 586.93	\$ 587

FY 2010

TABLE 9 –Approach II - FY 2010 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2010 Activity Unit Cost	Frequency Factor Adjustment	FY 2010 Final Adjusted Unit Cost	Rounded Total
1111/2111	Utility Search Fee	2.05 - Perform Initial Search	\$ 468,693,609	320,589	\$ 1,461.98	96.98%	\$ 1,417.86	
1113/2113	Plant Search Fee	2.09 - Perform Subsequent Search	\$ 160,863,764	626,631	\$ 256.71	107.76%	\$ 276.62	
1114/2114	Reissue Search Fee							
1642/2642	National Stage Search Fee - search report prepared and provided to USPTO							
1632/2632	National Stage Search Fee - all other situations							
Total							\$ 1,694.48	\$ 1,694
1641/2641	National Stage Search Fee - U.S. was the ISA	2.09 - Perform Subsequent Search	\$ 160,863,764	626,631	\$ 256.71	107.76%	\$ 276.62	
Total							\$ 276.62	\$ 277
1311/2311	Utility Examination Fee	2.03 - Analyze New Application	\$ 175,857,475	320,597	\$ 548.53	96.98%	\$ 531.98	
1313/2313	Plant Examination Fee	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 12,354,684	84,522	\$ 146.17	24.41%	\$ 35.68	
1633/2633	National Stage Examination Fee - all other situations	2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 247,036,124	320,597	\$ 770.55	96.98%	\$ 747.30	
1314/2314	Reissue Examination Fee	2.07 - Consider IDS (Information Disclosure Statement)	\$ 62,945,800	376,243	\$ 167.30	92.80%	\$ 155.26	
		2.08 - Prepare All Subsequent Actions	\$ 243,248,528	626,631	\$ 388.18	107.76%	\$ 418.29	
		2.10 - Prepare After Final Response	\$ 25,427,904	78,762	\$ 322.84	6.52%	\$ 21.04	
		2.11 - Applicant Interviews	\$ 18,903,087	123,784	\$ 152.71	24.54%	\$ 37.47	
		2.12 - Internal Deliberations	\$ 2,612,818	25,419	\$ 102.79	3.45%	\$ 3.55	
		2.13 - Communications to the Board of Appeals	\$ 13,590,747	12,834	\$ 1,058.96	1.73%	\$ 18.27	
Total							\$ 1,968.84	\$ 1,969

TABLE 9 –Approach II - FY 2010 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2010 Activity Unit Cost	Frequency Factor Adjustment	FY 2010 Final Adjusted Unit Cost	Rounded Total
1017/2018	Basic filing fee - Design (CPA)	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 295,310	1,842	\$ 160.32	0.34%	\$ 0.54	
1019/2020	Basic filing fee - Design Reissue (CPA)	2.07 - Consider IDS (Information Disclosure Statement)	\$ 642,770	10,254	\$ 62.68	6.96%	\$ 4.36	
		2.08 - Prepare All Subsequent Actions	\$ 3,599,917	8,568	\$ 420.16	114.26%	\$ 480.08	
		2.09 - Perform Subsequent Search	\$ 984,240	8,568	\$ 114.87	114.26%	\$ 131.26	
		2.10 - Prepare After Final Response	\$ 207,601	332	\$ 625.31	1.36%	\$ 8.49	
		2.11 - Applicant Interviews	\$ 156,060	580	\$ 269.07	2.55%	\$ 6.85	
		2.12 - Internal Deliberations	\$ 2,058	68	\$ 30.27	0.00%	\$ -	
		2.13 - Communications to the Board of Appeals	\$ 8,878	19	\$ 467.28	0.00%	\$ -	
Total							\$ 631.59	\$ 632
1112/2112	Design Search Fee	2.05 - Perform Initial Search	\$ 10,393,225	25,226	\$ 412.00	99.39%	\$ 409.49	
		2.09 - Perform Subsequent Search	\$ 984,240	8,568	\$ 114.87	33.63%	\$ 38.63	
Total							\$ 448.12	\$ 448
1312/2312	Design Examination Fee	2.03 - Analyze New Application	\$ 3,926,293	25,226	\$ 155.64	99.39%	\$ 154.70	
		2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 295,310	1,842	\$ 160.32	6.89%	\$ 11.05	
		2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 4,367,981	25,226	\$ 173.15	99.39%	\$ 172.10	
		2.07 - Consider IDS (Information Disclosure Statement)	\$ 642,770	10,254	\$ 62.68	39.29%	\$ 24.63	
		2.08 - Prepare All Subsequent Actions	\$ 3,599,917	8,568	\$ 420.16	33.63%	\$ 141.30	
		2.10 - Prepare After Final Response	\$ 207,601	332	\$ 625.31	1.20%	\$ 7.50	
		2.11 - Applicant Interviews	\$ 156,060	580	\$ 269.07	2.18%	\$ 5.86	
		2.12 - Internal Deliberations	\$ 2,058	68	\$ 30.27	0.20%	\$ 0.06	
		2.13 - Communications to the Board of Appeals	\$ 8,878	19	\$ 467.28	0.05%	\$ 0.21	
Total							\$ 517.39	\$ 517

FY 2009

TABLE 10 –Approach II - FY 2009 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Frequency Factor Adjustment	FY 2009 Final Adjusted Unit Cost	Rounded Total
1111/2111	Utility Search Fee	2.05 - Perform Initial Search	\$ 416,184,414	332,193	\$ 1,252.84	97.37%	\$ 1,219.85	
1113/2113	Plant Search Fee	2.09 - Perform Subsequent Search	\$ 170,417,080	597,416	\$ 285.26	105.24%	\$ 300.21	
Total							\$ 1,520.06	\$ 1,520
1641/2641	National Stage Search Fee - U.S. was the ISA	2.09 - Perform Subsequent Search	\$ 170,417,080	597,416	\$ 285.26	105.24%	\$ 300.21	
Total							\$ 300.21	\$ 300
1311/2311	Utility Examination Fee	2.03 - Analyze New Application	\$ 146,345,520	332,208	\$ 440.52	97.37%	\$ 428.93	
1313/2313	Plant Examination Fee	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,072,785	91,328	\$ 143.14	23.44%	\$ 33.55	
		2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 218,626,235	332,208	\$ 658.10	97.37%	\$ 640.77	
		2.07 - Consider IDS (Information Disclosure Statement)	\$ 70,617,177	364,572	\$ 193.70	89.32%	\$ 173.01	
		2.08 - Prepare All Subsequent Actions	\$ 296,107,598	597,416	\$ 495.65	105.24%	\$ 521.62	
		2.10 - Prepare After Final Response	\$ 18,551,611	82,328	\$ 225.34	7.50%	\$ 16.90	
		2.11 - Applicant Interviews	\$ 13,487,423	100,943	\$ 133.61	19.82%	\$ 26.48	
		2.12 - Internal Deliberations	\$ 2,254,467	20,549	\$ 109.71	3.56%	\$ 3.90	
		2.13 - Communications to the Board of Appeals	\$ 9,421,363	11,271	\$ 835.89	1.88%	\$ 15.74	
		2.15 - Quality Review after Tech Center	\$ 11,936,534	189,459	\$ 63.00	64.74%	\$ 40.79	
		2.16 - Quality Review of Tech Support Staff	\$ 708,112	189,459	\$ 3.74	64.74%	\$ 2.42	
Total							\$ 1,904.11	\$ 1,904

TABLE 10 –Approach II - FY 2009 Fee Unit Costs

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Frequency Factor Adjustment	FY 2009 Final Adjusted Unit Cost	Rounded Total
1017/2018	Basic filing fee - Design (CPA) Basic filing fee - Design Reissue (CPA)	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 297,843	1,799	\$ 165.56	0.71%	\$ 1.17	
1019/2020		2.07 - Consider IDS (Information Disclosure Statement)	\$ 1,240,325	10,237	\$ 121.16	63.60%	\$ 77.06	
		2.08 - Prepare All Subsequent Actions	\$ 4,505,299	10,118	\$ 445.28	112.19%	\$ 499.56	
		2.09 - Perform Subsequent Search	\$ 1,291,497	10,118	\$ 127.64	112.19%	\$ 143.20	
		2.10 - Prepare After Final Response	\$ 114,618	404	\$ 283.71	0.71%	\$ 2.01	
		2.11 - Applicant Interviews	\$ 91,533	449	\$ 203.86	1.59%	\$ 3.24	
		2.12 - Internal Deliberations	\$ 1,350	38	\$ 35.52	0.35%	\$ 0.13	
		2.13 - Communications to the Board of Appeals	\$ 16,379	18	\$ 909.97	0.18%	\$ 1.61	
Total							\$ 727.97	\$ 728
1112/2112	Design Search Fee	2.05 - Perform Initial Search	\$ 7,164,051	27,150	\$ 263.87	99.03%	\$ 261.31	
		2.09 - Perform Subsequent Search	\$ 1,291,497	10,118	\$ 127.64	36.12%	\$ 46.10	
Total							\$ 307.42	\$ 307
1312/2312	Design Examination Fee	2.03 - Analyze New Application	\$ 3,885,136	27,150	\$ 143.10	99.03%	\$ 141.71	
		2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 297,843	1,799	\$ 165.56	6.30%	\$ 10.44	
		2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 4,833,620	27,150	\$ 178.03	99.03%	\$ 176.31	
		2.07 - Consider IDS (Information Disclosure Statement)	\$ 1,240,325	10,237	\$ 121.16	36.77%	\$ 44.55	
		2.08 - Prepare All Subsequent Actions	\$ 4,505,299	10,118	\$ 445.28	36.12%	\$ 160.82	
		2.10 - Prepare After Final Response	\$ 114,618	404	\$ 283.71	1.25%	\$ 3.56	
		2.11 - Applicant Interviews	\$ 91,533	449	\$ 203.86	1.43%	\$ 2.92	
		2.12 - Internal Deliberations	\$ 1,350	38	\$ 35.52	0.11%	\$ 0.04	
		2.13 - Communications to the Board of Appeals	\$ 16,379	18	\$ 909.97	5.00%	\$ 45.50	
Total							\$ 585.85	\$ 586

FY 2009 (Weighted Unit Cost)

TABLE 11 –Approach II - FY 2009 Fee Unit Costs with Weighting

Fee Code	Fee Code Description	Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Weighted Unit Cost	Frequency Factor Adjustment	FY 2009 Final Adjusted Unit Cost	Rounded Total
1114/2114	Reissue Search Fee	2.05 - Perform Initial Search	\$ 416,184,414	332,193	\$ 1,252.84	\$ 1,255.77	97.37%	\$ 1,222.71	
1642/2642	National Stage Search Fee - search report prepared and provided to USPTO	2.09 - Perform Subsequent Search	\$ 170,417,080	597,416	\$ 285.26	\$ 285.36	105.24%	\$ 300.32	
1632/2632	National Stage Search Fee - all other situations								
Total								\$ 1,523.02	\$ 1,523
1314/2314	Reissue Examination Fee	2.03 - Analyze New Application	\$ 146,345,520	332,208	\$ 440.52	\$ 441.34	97.37%	\$ 429.72	
1633/2633	National Stage Examination Fee - all other situations	2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,072,785	91,328	\$ 143.14	\$ 143.14	23.44%	\$ 33.55	
		2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 218,626,235	332,208	\$ 658.10	\$ 659.33	97.37%	\$ 641.97	
		2.07 - Consider IDS (Information Disclosure Statement)	\$ 70,617,177	364,572	\$ 193.70	\$ 193.73	89.32%	\$ 173.04	
		2.08 - Prepare All Subsequent Actions	\$ 296,107,598	597,416	\$ 495.65	\$ 495.83	105.24%	\$ 521.82	
		2.10 - Prepare After Final Response	\$ 18,551,611	82,328	\$ 225.34	\$ 225.34	7.50%	\$ 16.90	
		2.11 - Applicant Interviews	\$ 13,487,423	100,943	\$ 133.61	\$ 133.63	19.82%	\$ 26.48	
		2.12 - Internal Deliberations	\$ 2,254,467	20,549	\$ 109.71	\$ 109.71	3.56%	\$ 3.90	
		2.13 - Communications to the Board of Appeals	\$ 9,421,363	11,271	\$ 835.89	\$ 835.89	1.88%	\$ 15.74	
		2.15 - Quality Review after Tech Center	\$ 11,936,534	189,459	\$ 63.00	\$ 63.22	64.74%	\$ 40.93	
		2.16 - Quality Review of Tech Support Staff	\$ 708,112	189,459	\$ 3.74	\$ 3.75	64.74%	\$ 2.43	
Total								\$ 1,906.47	\$ 1,906

The fee cost analysis for FY 2009 calculated a weighted unit cost for the fees in the table above since the costs for design were not separately tracked when developing the unit rates. As a result, another method had to be used to separate the types of cost to determine the cost for designs versus the cost for utility. In order to do this, the average hours per balanced disposal for a GS12 examiner were used in FY 2009. In FY 2010 and FY 2011, actual cost was available separately for design and utility and the adjustment factor was no longer necessary.

C. Incremental Cost Calculation

The incremental cost approach builds further upon the prior approach, Contributing Activity Unit Cost Adjusted for Frequency of Occurrence. For the Request for Continued Examination (RCE) fee, there is an additional step required to obtain the final cost of an RCE. All relevant activity costs, driver volumes and adjusted activity unit costs related to the RCE are calculated using the Contributing Activity Unit Cost Adjusted for Frequency of Occurrence approach. However, this approach is applied to two scenarios: (1) the cost of a single application with no request for continued examination, and (2) the cost of a single application with one request for continued examination. For some activities, different frequency factors are applied for each scenario depending on workloads associated with the activity, resulting in different adjusted unit costs for the activity. A unit cost is then calculated for both the single application with no RCE, and the single application with one RCE. Finally, in order to identify the incremental cost of an RCE, the difference between the final unit cost of the single application with no RCE and the single application with one RCE is calculated.

Fee code **1801** is the only fee code using this approach. Tables 12 through Table 17 provide the detailed fee cost calculations. All 2000 series fee codes are the same description but for small entity. *Note: Fiscal year 2009 and 2010 are included for comparison purposes.*

In fiscal year 2011, the Cost of Single Application, One RCE is \$5,635. The Cost of Single Application, No RCE is \$3,566. The difference between the two unit costs is **\$2,069**, which equals the **Incremental Cost of an RCE**.

FY 2011

TABLE 12 –FY 2011 Cost for Single Application with One Request for Continued Examination

Patent Activity	Activity Costs	Workload Volume	FY 2011 Activity Unit Cost	Frequency Factor Adjustment	FY 2011 Final Adjusted Unit Cost
1.01 - Process Incoming Paper	\$ 1,306,818	582,366	\$ 2.24	100.00%	\$ 2.24
1.02 - Process Application Fees	\$ 4,571,966	582,366	\$ 7.85	100.00%	\$ 7.85
1.03 - Application Indexing/Scanning	\$ 41,340,283	583,521	\$ 70.85	100.00%	\$ 70.85
1.04 - Routing Classification/Security Screening	\$ 2,154,488	580,572	\$ 3.71	100.00%	\$ 3.71
1.05 - Second-level Security Screening and L&R Processing	\$ 680,209	513,987	\$ 1.32	100.00%	\$ 1.32
1.06 - Conduct Formalities Review	\$ 15,566,634	468,141	\$ 33.25	100.00%	\$ 33.25
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,616,403	535,196	\$ 4.89	100.00%	\$ 4.89
2.01 - Tech Support Application Process	\$ 32,961,458	394,301	\$ 83.59	100.00%	\$ 83.59
2.02 - Classification and Assignment by Art Unit	\$ 9,046,971	394,301	\$ 22.94	100.00%	\$ 22.94
2.03 - Analyze New Application	\$ 180,971,970	386,598	\$ 468.11	100.00%	\$ 468.11
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,167,560	88,749	\$ 148.37	28.98%	\$ 43.00
2.05 - Perform Initial Search	\$ 488,656,820	386,485	\$ 1,264.36	100.00%	\$ 1,264.36
2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 270,840,867	386,598	\$ 700.57	100.00%	\$ 700.57
2.07 - Consider IDS (Information Disclosure Statement)	\$ 70,313,375	426,546	\$ 164.84	147.94%	\$ 243.87
2.08 - Prepare All Subsequent Actions	\$ 262,483,615	582,618	\$ 450.52	300.09%	\$ 1,351.97
2.09 - Perform Subsequent Search	\$ 190,677,283	582,618	\$ 327.28	300.09%	\$ 982.12
2.10 - Prepare After Final Response	\$ 31,753,970	70,311	\$ 451.62	43.11%	\$ 194.68
2.11 - Applicant Interviews	\$ 19,732,695	110,978	\$ 177.81	55.35%	\$ 98.42
2.12 - Internal Deliberations	\$ 3,152,822	25,575	\$ 123.28	8.87%	\$ 10.93
2.13 - Communications to the Board of Appeals	\$ 14,571,873	12,995	\$ 1,121.34	4.16%	\$ 46.70
Single Application, One RCE - Total					\$ 5,635.40

TABLE 13 –FY 2011 Cost for Single Application with No Request for Continued Examination

Patent Activity	Activity Costs	Workload Volume	FY 2011 Activity Unit Cost	Frequency Factor Adjustment	FY 2011 Final Adjusted Unit Cost
1.01 - Process Incoming Paper	\$ 1,306,818	582,366	\$ 2.24	100.00%	\$ 2.24
1.02 - Process Application Fees	\$ 4,571,966	582,366	\$ 7.85	100.00%	\$ 7.85
1.03 - Application Indexing/Scanning	\$ 41,340,283	583,521	\$ 70.85	100.00%	\$ 70.85
1.04 - Routing Classification/Security Screening	\$ 2,154,488	580,572	\$ 3.71	100.00%	\$ 3.71
1.05 - Second-level Security Screening and L&R Processing	\$ 680,209	513,987	\$ 1.32	100.00%	\$ 1.32
1.06 - Conduct Formalities Review	\$ 15,566,634	468,141	\$ 33.25	100.00%	\$ 33.25
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,616,403	535,196	\$ 4.89	100.00%	\$ 4.89
2.01 - Tech Support Application Process	\$ 32,961,458	394,301	\$ 83.59	100.00%	\$ 83.59
2.02 - Classification and Assignment by Art Unit	\$ 9,046,971	394,301	\$ 22.94	100.00%	\$ 22.94
2.03 - Analyze New Application	\$ 180,971,970	386,598	\$ 468.11	96.20%	\$ 450.33
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,167,560	88,749	\$ 148.37	24.63%	\$ 36.55
2.05 - Perform Initial Search	\$ 488,656,820	386,485	\$ 1,264.36	96.20%	\$ 1,216.33
2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 270,840,867	386,598	\$ 700.57	96.20%	\$ 673.96
2.07 - Consider IDS (Information Disclosure Statement)	\$ 70,313,375	426,546	\$ 164.84	89.06%	\$ 146.81
2.08 - Prepare All Subsequent Actions	\$ 262,483,615	582,618	\$ 450.52	93.22%	\$ 419.96
2.09 - Perform Subsequent Search	\$ 190,677,283	582,618	\$ 327.28	93.22%	\$ 305.08
2.10 - Prepare After Final Response	\$ 31,753,970	70,311	\$ 451.62	5.92%	\$ 26.73
2.11 - Applicant Interviews	\$ 19,732,695	110,978	\$ 177.81	20.20%	\$ 35.92
2.12 - Internal Deliberations	\$ 3,152,822	25,575	\$ 123.28	3.48%	\$ 4.29
2.13 - Communications to the Board of Appeals	\$ 14,571,873	12,995	\$ 1,121.34	1.71%	\$ 19.12
Single Application, No RCE - Total					\$ 3,565.72

In fiscal year 2010, the Cost of Single Application, One RCE is \$5,604. The Cost of Single Application, No RCE is \$3,908. The difference between the two unit costs is **\$1,696**, which equals the **Incremental Cost of an RCE**.

FY 2010

TABLE 14 –FY 2010 Cost for Single Application with One Request for Continued Examination

Patent Activity	Activity Costs	Workload Volume	FY 2010 Activity Unit Cost	Frequency Factor Adjustment	FY 2010 Final Adjusted Unit Cost
1.01 - Process Incoming Paper	\$ 1,276,181	541,933	\$ 2.35	100.00%	\$ 2.35
1.02 - Process Application Fees	\$ 741,695	541,933	\$ 1.37	100.00%	\$ 1.37
1.03 - Application Indexing/Scanning	\$ 38,665,946	543,021	\$ 71.21	100.00%	\$ 71.21
1.04 - Routing Classification/Security Screening	\$ 2,081,516	540,054	\$ 3.85	100.00%	\$ 3.85
1.05 - Second-level Security Screening and L&R Processing	\$ 680,481	477,194	\$ 1.43	100.00%	\$ 1.43
1.06 - Conduct Formalities Review	\$ 15,929,082	433,867	\$ 36.71	100.00%	\$ 36.71
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,613,144	497,167	\$ 5.26	100.00%	\$ 5.26
2.01 - Tech Support Application Process	\$ 31,054,194	357,754	\$ 86.80	100.00%	\$ 86.80
2.02 - Classification and Assignment by Art Unit	\$ 12,169,428	357,754	\$ 34.02	100.00%	\$ 34.02
2.03 - Analyze New Application	\$ 175,857,475	320,597	\$ 548.53	100.00%	\$ 548.53
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 12,354,684	84,522	\$ 146.17	28.91%	\$ 42.26
2.05 - Perform Initial Search	\$ 468,693,609	320,589	\$ 1,461.98	100.00%	\$ 1,461.98
2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 247,036,124	320,597	\$ 770.55	100.00%	\$ 770.55
2.07 - Consider IDS (Information Disclosure Statement)	\$ 62,945,800	376,243	\$ 167.30	145.81%	\$ 243.93
2.08 - Prepare All Subsequent Actions	\$ 243,248,528	626,631	\$ 388.18	310.61%	\$ 1,205.75
2.09 - Perform Subsequent Search	\$ 160,863,764	626,631	\$ 256.71	310.61%	\$ 797.38
2.10 - Prepare After Final Response	\$ 25,427,904	78,762	\$ 322.84	46.03%	\$ 148.61
2.11 - Applicant Interviews	\$ 18,903,087	123,784	\$ 152.71	59.58%	\$ 90.98
2.12 - Internal Deliberations	\$ 2,612,818	25,419	\$ 102.79	7.86%	\$ 8.08
2.13 - Communications to the Board of Appeals	\$ 13,590,747	12,834	\$ 1,058.96	3.92%	\$ 41.52
2.16 - Quality Review of Tech Support Staff	\$ 511,387	357,754	\$ 1.43	100.00%	\$ 1.43
Single Application, One RCE - Total					\$ 5,604.01

TABLE 15 –FY 2010 Cost for Single Application with No Request for Continued Examination

Patent Activity	Activity Costs	Workload Volume	FY 2010 Activity Unit Cost	Frequency Factor Adjustment	FY 2010 Final Adjusted Unit Cost
1.01 - Process Incoming Paper	\$ 1,276,181	541,933	\$ 2.35	100.00%	\$ 2.35
1.02 - Process Application Fees	\$ 741,695	541,933	\$ 1.37	100.00%	\$ 1.37
1.03 - Application Indexing/Scanning	\$ 38,665,946	543,021	\$ 71.21	100.00%	\$ 71.21
1.04 - Routing Classification/Security Screening	\$ 2,081,516	540,054	\$ 3.85	100.00%	\$ 3.85
1.05 - Second-level Security Screening and L&R Processing	\$ 680,481	477,194	\$ 1.43	100.00%	\$ 1.43
1.06 - Conduct Formalities Review	\$ 15,929,082	433,867	\$ 36.71	100.00%	\$ 36.71
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,613,144	497,167	\$ 5.26	100.00%	\$ 5.26
2.01 - Tech Support Application Process	\$ 31,054,194	357,754	\$ 86.80	100.00%	\$ 86.80
2.02 - Classification and Assignment by Art Unit	\$ 12,169,428	357,754	\$ 34.02	100.00%	\$ 34.02
2.03 - Analyze New Application	\$ 175,857,475	320,597	\$ 548.53	96.98%	\$ 531.98
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 12,354,684	84,522	\$ 146.17	24.41%	\$ 35.68
2.05 - Perform Initial Search	\$ 468,693,609	320,589	\$ 1,461.98	96.98%	\$ 1,417.86
2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 247,036,124	320,597	\$ 770.55	96.98%	\$ 747.30
2.07 - Consider IDS (Information Disclosure Statement)	\$ 62,945,800	376,243	\$ 167.30	92.80%	\$ 155.25
2.08 - Prepare All Subsequent Actions	\$ 243,248,528	626,631	\$ 388.18	107.76%	\$ 418.29
2.09 - Perform Subsequent Search	\$ 160,863,764	626,631	\$ 256.71	107.76%	\$ 276.62
2.10 - Prepare After Final Response	\$ 25,427,904	78,762	\$ 322.84	6.52%	\$ 21.04
2.11 - Applicant Interviews	\$ 18,903,087	123,784	\$ 152.71	24.54%	\$ 37.47
2.12 - Internal Deliberations	\$ 2,612,818	25,419	\$ 102.79	3.45%	\$ 3.55
2.13 - Communications to the Board of Appeals	\$ 13,590,747	12,834	\$ 1,058.96	1.73%	\$ 18.27
2.16 - Quality Review of Tech Support Staff	\$ 511,387	357,754	\$ 1.43	100.00%	\$ 1.43
Single Application, No RCE - Total					\$ 3,907.75

In fiscal year 2009, the Cost of Single Application, One RCE is \$5,546. The Cost of Single Application, No RCE is \$3,665. The difference between the two unit costs is **\$1,881**, which equals the **Incremental Cost of an RCE**.

FY 2009

TABLE 16 –FY 2009 Cost for Single Application with One Request for Continued Examination

Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Frequency Factor Adjustment	FY 2009 Final Adjusted Unit Cost
1.01 - Process Incoming Paper	\$ 1,661,907	530,497	\$ 3.13	100.00%	\$ 3.13
1.02 - Process Application Fees	\$ 895,398	530,497	\$ 1.69	100.00%	\$ 1.69
1.03 - Application Indexing/Scanning	\$ 33,901,686	531,425	\$ 63.79	100.00%	\$ 63.79
1.04 - Routing Classification/Security Screening	\$ 6,028,977	527,799	\$ 11.42	100.00%	\$ 11.42
1.05 - Second-level Security Screening and L&R Processing	\$ 864,093	469,045	\$ 1.84	100.00%	\$ 1.84
1.06 - Conduct Formalities Review	\$ 16,448,325	423,817	\$ 38.81	100.00%	\$ 38.81
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,471,564	482,837	\$ 5.12	100.00%	\$ 5.12
2.01 - Tech Support Application Process	\$ 29,621,830	371,638	\$ 79.71	100.00%	\$ 79.71
2.02 - Classification and Assignment by Art Unit	\$ 13,074,600	367,740	\$ 35.55	100.00%	\$ 35.55
2.03 - Analyze New Application	\$ 146,345,520	332,208	\$ 440.52	100.00%	\$ 440.52
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,072,785	91,328	\$ 143.14	27.86%	\$ 39.88
2.05 - Perform Initial Search	\$ 416,184,414	332,193	\$ 1,252.84	100.00%	\$ 1,252.84
2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 218,626,235	332,208	\$ 658.10	100.00%	\$ 658.10
2.07 - Consider IDS (Information Disclosure Statement)	\$ 70,617,177	364,572	\$ 193.70	136.73%	\$ 264.84
2.08 - Prepare All Subsequent Actions	\$ 296,107,598	597,416	\$ 495.65	303.45%	\$ 1,504.05
2.09 - Perform Subsequent Search	\$ 170,417,080	597,416	\$ 285.26	303.45%	\$ 865.62
2.10 - Prepare After Final Response	\$ 18,551,611	82,328	\$ 225.34	51.66%	\$ 116.40
2.11 - Applicant Interviews	\$ 13,487,423	100,943	\$ 133.61	50.29%	\$ 67.20
2.12 - Internal Deliberations	\$ 2,254,467	20,549	\$ 109.71	7.30%	\$ 8.01
2.13 - Communications to the Board of Appeals	\$ 9,421,363	11,271	\$ 835.89	3.98%	\$ 33.23
2.15 - Quality Review after Tech Center	\$ 11,936,534	189,459	\$ 63.00	81.33%	\$ 51.24
2.16 - Quality Review of Tech Support Staff	\$ 708,112	189,459	\$ 3.74	81.33%	\$ 3.04
Single Application, One RCE - Total					\$ 5,546.03

TABLE 17 –FY 2009 Cost for Single Application with No Request for Continued Examination

Patent Activity	Activity Costs	Workload Volume	FY 2009 Activity Unit Cost	Frequency Factor Adjustment	FY 2009 Final Adjusted Unit Cost
1.01 - Process Incoming Paper	\$ 1,661,907	530,497	\$ 3.13	100.00%	\$ 3.13
1.02 - Process Application Fees	\$ 895,398	530,497	\$ 1.69	100.00%	\$ 1.69
1.03 - Application Indexing/Scanning	\$ 33,901,686	531,425	\$ 63.79	100.00%	\$ 63.79
1.04 - Routing Classification/Security Screening	\$ 6,028,977	527,799	\$ 11.42	100.00%	\$ 11.42
1.05 - Second-level Security Screening and L&R Processing	\$ 864,093	469,045	\$ 1.84	100.00%	\$ 1.84
1.06 - Conduct Formalities Review	\$ 16,448,325	423,817	\$ 38.81	100.00%	\$ 38.81
1.07 - Customer Service (Pre- and Post-Examination)	\$ 2,471,564	482,837	\$ 5.12	100.00%	\$ 5.12
2.01 - Tech Support Application Process	\$ 29,621,830	371,638	\$ 79.71	100.00%	\$ 79.71
2.02 - Classification and Assignment by Art Unit	\$ 13,074,600	367,740	\$ 35.55	100.00%	\$ 35.55
2.03 - Analyze New Application	\$ 146,345,520	332,208	\$ 440.52	97.37%	\$ 428.93
2.04 - Analyze New Application - Restrictions/Unity of Invention	\$ 13,072,785	91,328	\$ 143.14	23.44%	\$ 33.55
2.05 - Perform Initial Search	\$ 416,184,414	332,193	\$ 1,252.84	97.37%	\$ 1,219.85
2.06 - Prepare Initial FAOM (excluding RCEs)	\$ 218,626,235	332,208	\$ 658.10	97.37%	\$ 640.77
2.07 - Consider IDS (Information Disclosure Statement)	\$ 70,617,177	364,572	\$ 193.70	89.32%	\$ 173.01
2.08 - Prepare All Subsequent Actions	\$ 296,107,598	597,416	\$ 495.65	105.24%	\$ 521.62
2.09 - Perform Subsequent Search	\$ 170,417,080	597,416	\$ 285.26	105.24%	\$ 300.21
2.10 - Prepare After Final Response	\$ 18,551,611	82,328	\$ 225.34	7.50%	\$ 16.90
2.11 - Applicant Interviews	\$ 13,487,423	100,943	\$ 133.61	19.82%	\$ 26.48
2.12 - Internal Deliberations	\$ 2,254,467	20,549	\$ 109.71	3.56%	\$ 3.90
2.13 - Communications to the Board of Appeals	\$ 9,421,363	11,271	\$ 835.89	1.88%	\$ 15.74
2.15 - Quality Review after Tech Center	\$ 11,936,534	189,459	\$ 63.00	64.74%	\$ 40.79
2.16 - Quality Review of Tech Support Staff	\$ 708,112	189,459	\$ 3.74	64.74%	\$ 2.42
Single Application, No RCE - Total					\$ 3,665.24