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**DEPARTMENT OF COMMERCE**

**[3510-16]**

**United States Patent and Trademark Office**

**37 CFR Part 2**

**[Docket No. PTO-T-2014-0011]**

**RIN 0651-AC94**

**Reduction of Fees for Trademark Applications and Renewals**

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTIONS:** Final rule.

**SUMMARY:** The United States Patent and Trademark Office (“Office” or “USPTO”) is amending its regulations to reduce certain trademark fees, as authorized by the Leahy-Smith America Invents Act (“AIA”). The reductions will reduce total trademark fee collections and promote efficiency for the USPTO and customers. The reductions also will further USPTO strategic objectives to increase the end-to-end electronic processing of trademark applications by offering additional electronic application processing.

**DATES:** The changes in this final rule are effective on January 17, 2015.

**FOR FURTHER INFORMATION CONTACT:** Cynthia C. Lynch, Office of the Deputy Commissioner for Trademark Examination Policy, by e-mail at [TMPolicy@uspto.gov](mailto:TMPolicy@uspto.gov), or by telephone at (571) 272-8742.

## **SUPPLEMENTARY INFORMATION:**

Executive Summary: Purpose: Section 10 of the AIA authorizes the Director of the USPTO (“Director”) to set or adjust by rule any fee established, authorized, or charged under the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) for any services performed by, or materials furnished by, the Office. See Section 10 of the AIA, Public Law 112–29, 125 Stat. at 316–17.

Section 10(c) of the AIA authorizes the Director to consult with the Trademark Public Advisory Committee (“TPAC”) on the advisability of reducing trademark fees and, following the required consultation, to reduce such fees. See Section 10(c) of the AIA, Public Law 112–29, 125 Stat. at 317. The Director consulted with the TPAC and thereafter determined that, in order to both improve the alignment of Office costs with revenues and incentivize electronic communications, it was advisable to propose reductions in the filing fees for: (1) trademark, certification mark, collective membership mark, and collective trademark applications for registration on the Principal or Supplemental Register that are filed using the Trademark Electronic Application System (“TEAS”), if applicants authorize e-mail communication and file specified documents electronically throughout the application process; (2) TEAS Plus applications for registration; and (3) TEAS applications for renewal of a registration. In addition, the reduction would also apply to TEAS requests for transformation of an extension of protection to the United States into a U.S. application, filed pursuant to 37 CFR 7.31.

Thereafter, a proposed rule was published in the Federal Register on May 9, 2014, at 79 FR 26664, and in the Official Gazette on June 3, 2014. The USPTO received

comments from three intellectual property organizations and three attorneys and/or law firms. These comments are posted on the USPTO's website at [http://www.uspto.gov/trademarks/notices/TEAS\\_RF\\_comments.jsp](http://www.uspto.gov/trademarks/notices/TEAS_RF_comments.jsp) and are addressed below.

Prior to consulting with the TPAC, the USPTO also published a notice of inquiry to provide the public, including user groups, with an opportunity to comment on possible adjustments to trademark application fees (77 FR 49426 (Aug. 16, 2012)). The public comments overwhelmingly favored a fee reduction, and many expressed a desire for a lower-cost electronic filing option without any restrictions on the nature of the identification of goods and services, as is required under TEAS Plus.

The reduced fees will help to: (1) continue with an appropriate and sustainable funding model; (2) support strategic objectives relating to online filing, electronic file management, and workflow; and (3) improve efficiency for USPTO operations and customers. The reductions will benefit the public by lowering the costs of seeking and renewing federal registration, including advantages to individual and pro se filers, who make greater use of lower-cost filing options. In addition, the rule includes an additional filing option for meeting applicants' needs and preferences.

#### General Comments

Comment: All commenters expressed support of the USPTO's efforts to increase the volume of end-to-end electronic processing of trademark applications and agreed that the proposed fee reductions will make filing for individuals and smaller entities more accessible and promote greater efficiency through electronic filing and communication.

Response: The USPTO appreciates the commenters' support of the general objectives of the rule changes.

Comment: One commenter suggested that the USPTO take additional steps to both further the USPTO's strategic objective and reduce burdens on small businesses. In particular, the commenter recommended that the USPTO collect and track the filing and renewal information related to small businesses and provide reduced filing fees to small entities and applicants that are part of business incubators and other such organizations. In addition, the commenter opined that providing small entities with reduced fees for renewals and maintenance would help incentivize registrants to maintain and renew their marks.

Response: The USPTO appreciates the commenter's suggestions and will consider them in the future, but notes that they are outside the scope of the current rulemaking. Moreover, the USPTO has considered whether and how it is appropriate to reduce any burden on small businesses through increased flexibility. The final rules provide streamlined and simplified procedures for all small entities (and others), given the ease of filing electronically through TEAS and communicating by e-mail. In addition, the fee reductions promote greater efficiency from electronic filing and communication, as the procedures are simpler and not burdensome.

Comment: One commenter noted that although the data that becomes the equivalent of an application under Section 66(a) of the Trademark Act is not submitted by applicants directly, the Office's goals of increasing efficiency through electronic

correspondence can be achieved with such applications by requiring that the applicant use TEAS to respond to provisional refusals and for subsequent prosecution.

Response: The USPTO notes that the reduced-fee option of filing using TEAS Plus is not currently available for requests for an extension of protection to the United States, i.e., a Section 66(a) application, 15 U.S.C. 1141f(a), nor will the TEAS RF option be available for these applications. The USPTO has not required electronic communication by any filers who have not voluntarily agreed to do so, and therefore the USPTO would not be inclined to impose such a requirement on Section 66(a) applicants.

Summary of Major Provisions: After reviewing the comments received in response to the notice of proposed rulemaking, the USPTO reduces by \$50 the fee for an application filed using the regular TEAS application form, and a TEAS request for transformation of an extension of protection to the United States into a U.S. application pursuant to § 7.31, from \$325 to \$275 per class if the applicant authorizes e-mail communication and agrees to file all responses and other specified documents electronically during the prosecution of the application. This option will be known as a TEAS Reduced Fee (“TEAS RF”) application. The USPTO also reduces by \$50 the fee for a TEAS Plus application from \$275 to \$225 per class and reduces by \$100 the fee for a TEAS application for renewal of a registration from \$400 to \$300 per class. As has been the case since the inception of TEAS Plus, TEAS Plus applicants who fail to fulfill the filing and examination requirements set out in the rules will be subject to a processing fee of \$50 per class, and similarly, TEAS RF applicants who fail to fulfill the requirements under the rules will be subject to the existing processing fee of \$50 per class.

Costs and Benefits: This rulemaking is not economically significant under Executive Order 12866 (Sept. 30, 1993).

References below to “the Act,” “the Trademark Act,” or “the statute” refer to the Trademark Act of 1946, 15 U.S.C. 1051 et seq., as amended. References to “TMEP” or “Trademark Manual of Examining Procedure” refer to the October 2014 edition.

### **Discussion of Rules Changes**

The USPTO amends §§ 2.6, 2.22, and 2.23.

First, the USPTO amends § 2.6(a)(1) to enumerate the revised application filing fee options. Section 2.6(a)(1)(iii) sets out the new, reduced fee of \$275 for filing a TEAS Reduced Fee (i.e., TEAS RF) application under revised § 2.23. Revised § 2.6(a)(i)(iv) for TEAS Plus is the same as the currently existing § 2.6(a)(1)(iii) except that the TEAS Plus fee is reduced from \$275 to \$225 per class and there is minor rewording for consistency with existing § 2.6(a)(1)(ii) and revised § 2.6(a)(1)(iii). The § 2.6(a)(1)(v) processing fee is the same as the currently existing § 2.6(a)(1)(iv) except for amended citations to revised §§ 2.22(c) and 2.23(c). The USPTO revises § 2.6(a)(5) to enumerate the revised fees for renewal of a registration. The new § 2.6(a)(5)(i) maintains the current fee of \$400 as the fee for an application for renewal of a registration filed on paper and the new § 2.6(a)(5)(ii) sets out the reduced fee of \$300 per class for a TEAS renewal of a registration.

Comment: Two commenters stated that they support efforts to reduce fees where appropriate and consistent with a sustainable funding model and as long as the current and future efficacy and efficiency of the USPTO will not be compromised.

Response: The USPTO appreciates the commenters' concerns. As one commenter noted, the Office has assured stakeholders that the reduction is possible due to efficiencies that have allowed the USPTO to create an operating reserve and that the revised fee structure maintains a reserve sufficient to manage operations and address long-term investments. Also, the Office regularly reviews fees, and may make adjustments in the future as needed.

Comment: All commenters were in favor of the fee reductions. One noted that in addition to reducing trademark application fees, which should lead to more applications being filed, result in a more accurate Federal Register, and thereby increase efficiency and value for everyone, the USPTO should provide filing-fee discounts when an applicant files companion applications together that feature overlapping information, so as to incentivize businesses to file trademark applications that they may otherwise not invest in and that would otherwise never become part of the pending application database or the Register. Similarly, the commenter suggested that when there are multiple classes in the same application, the filing fees for subsequent classes be reduced by \$100, to encourage applicants to be comprehensive in listing the goods and services with which they use or intend to use their marks, making for a more accurate and complete Register. The commenter opined further that a discounted filing fee for new businesses might increase the percentage of trademarks that are filed with the USPTO. Lastly, the commenter noted that the 10-year renewal fee, even at a TEAS reduced rate, appears out of line with the initial application filing fees and the 6-year Section 8 filing fees, since the processing of the renewal by the USPTO is not nearly as substantial or complex as the handling of initial applications.

Response: The USPTO appreciates the commenter's suggestions for possible mechanisms by which to increase application filings and further reduce fees. To the extent that the Office finds additional opportunities for fee reductions in the future, these suggestions will be considered. They would require further exploration and review by the Office.

Comment: Two commenters provided comments regarding the filing fee for paper applications. One commenter suggested that increasing the filing fee for paper applications may provide a more direct incentive for paper filers to switch to filing electronically. A second commenter agreed with the USPTO's decision to retain the existing filing fee for paper applications and encouraged the USPTO to continue outreach efforts to identify and address the reasons why applicants continue to file paper applications and to develop an electronic solution to address those circumstances.

Response: At this time, the USPTO has no plan to increase any filing fee, and prefers to rely on other mechanisms to encourage electronic communication. It is anticipated that the TEAS RF reduced-fee option is a mechanism that will encourage such applicants to switch from paper to electronic filing.

Comment: One commenter sought to confirm that there was no intent to decrease the fees for filing an application under Section 66 of the Trademark Act and encouraged the Office to consider how the fee reduction could alter the incentives of foreign applicants to seek U.S. registration via national applications versus through the Madrid System.

Response: The USPTO confirms that no change is being made to the fee for a request for an extension of protection under Section 66(a), 15 U.S.C. 1141f(a). The USPTO notes that if the only country in which a foreign applicant sought extension of protection of a foreign registration was the United States, it might make it more cost effective to file directly with the U.S. using TEAS RF. However, as the vast majority of Madrid users designate more than one country, they may determine that the benefits of the Madrid System outweigh the \$50 per-class savings available through the TEAS RF option.

Second, the USPTO makes the following format revisions to § 2.22 concerning TEAS Plus applications: revise the rule title; in § 2.22(a), cite to § 2.6(a)(1)(iv) instead of § 2.6(a)(1)(iii); in § 2.22(b), set forth the additional examination requirements for a TEAS Plus application that are currently set forth in existing § 2.23(a); in § 2.22(c), set forth the current text in existing §§ 2.22(b) and 2.23(b), and cite to § 2.6(a)(1)(v) instead of to § 2.6(a)(1)(iv); and, in § 2.22(d), set forth the text currently in existing § 2.22(c).

Comment: Three commenters expressed concerns regarding the TEAS Plus requirements. Two commenters noted that the fee reduction for TEAS Plus applications is not likely to cause applicants to switch from TEAS to TEAS Plus since a majority of those who do not use TEAS Plus choose not to use it because of the issues surrounding the identification of goods and services and/or the accounting and other difficulties that may ensue if TEAS Plus status is lost during the application process. For example, applicants may need to submit identifications not found in the U.S. Acceptable Identification of Goods and Services Manual (ID Manual) to accurately identify their goods and services. Revisions to the ID Manual to include all classes and types of goods

and services, update recitations of goods and services, and make it more easily navigable to help address these concerns were suggested. The requirement to search for and select all relevant goods and/or services and separately assign a basis to each, and where applicable, attach a separate specimen, was thought to make the TEAS Plus application more time-consuming and cumbersome than regular TEAS applications. The commenters encouraged the USPTO to investigate and address the restrictions of TEAS Plus that currently lead some applicants to file by TEAS and to provide other options, such as lifting the identification requirement or providing expedited processing.

Response: The new TEAS RF option addresses these concerns. In response to public input on potential adjustments to trademark application fees, the comments overwhelmingly favored a fee reduction, and many expressed a desire for a lower-cost electronic filing option without any restrictions on the nature of the identification of goods and services, as is required under TEAS Plus. Accordingly, the USPTO proposed the introduction of the TEAS RF filing option. The filing fee for TEAS RF is the same as the current TEAS Plus fee, but the application does not require that applicants choose an identification of goods or services from the ID Manual. Nor are applicants required to comply with any of the other TEAS Plus requirements except the requirements to authorize e-mail communication and file specified documents electronically throughout the application process.

In addition, the USPTO is implementing improvements to the ID Manual, such as basic and advanced search options, highlighting of search terms in results, inclusion of Notes in results table, and displaying initial results according to a “relevance” priority rather than by Class number.

The USPTO notes that the additional requirements of TEAS Plus cited by the commenter, i.e., to search for and select all relevant goods and services, assign a basis to each, and, if applicable, attach a separate specimen for each class, merit the lower fee of TEAS Plus because they lower the cost of examination and reduce pendency in large part because most such applications are complete when filed, and will therefore, typically result in the issuance of fewer Office actions.

Third, the USPTO revises current § 2.23 to establish a TEAS RF option in the amount of \$275. Existing § 2.23 lists the additional examination requirements for a TEAS Plus application. As noted above, the provisions in previous § 2.23 are consolidated into revised § 2.22. Filers using either the TEAS Plus or the new TEAS RF option are required to authorize e-mail communication from the USPTO and submit specified documents electronically using TEAS during the prosecution of the application. However, filers using the new TEAS RF option are not required to comply with the additional TEAS Plus requirements.

Comment: One commenter also noted that the new TEAS RF application addresses many concerns applicants have with the TEAS Plus application and presents an option that its clients, many of which are small businesses, will likely use and benefit from.

Response: The USPTO appreciates the commenter's statement that the TEAS RF option will benefit applicants.

Comment: One commenter recommended that the Office confirm that informal communications with the examining attorney, including telephone and e-mail

communications, would not violate the requirement of an “electronic communication” for purposes of retaining TEAS RF status.

Response: The USPTO confirms that informal communications by telephone or e-mail with an examining attorney would not violate the requirement that the applicant submit documents via TEAS during the prosecution of the application. Informal communications are not substitutes for formal responses to Office actions, but rather are conducted only if they serve to develop and clarify specific issues and lead to a mutual understanding between the examining attorney and the applicant regarding a particular application. See TMEP section 709.05. Therefore, such an informal communication need not be filed through TEAS to comply with the final rule. Notably, § 2.23 lists all the specific communications that TEAS RF applicants must file through TEAS or be subject to the processing fee of \$50 per class.

### **Rulemaking Considerations**

Administrative Procedure Act: This rulemaking reduces fees under Section 10(c) of the AIA. See also 15 U.S.C. 1113, 15 U.S.C. 1123, 35 U.S.C. 2. The other changes in this rulemaking establish procedures for applicants seeking these reduced fees. The procedural changes in this rulemaking involve rules of agency practice and procedure, and/or interpretive rules. See Nat’l Org. of Veterans’ Advocates v. Sec’y of Veterans Affairs, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (stating that a rule that clarifies interpretation of a statute is interpretive); Bachow Commc’ns Inc. v. FCC, 237 F.3d 683, 690 (D.C. Cir. 2001) (stating that rules governing an application process are procedural under the Administrative Procedure Act); Inova Alexandria Hosp. v. Shalala, 244 F.3d

342, 350 (4th Cir. 2001) (stating that rules for handling appeals were procedural where they did not change the substantive standard for reviewing claims).

Accordingly, prior notice and opportunity for public comment for the procedural changes are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law). See Cooper Techs. Co. v. Dudas, 536 F.3d 1330, 1336–37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), does not require notice and comment rulemaking for “interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice” (quoting 5 U.S.C. 553(b)(3)(A))). The Office, however, published these changes for comment as it sought the benefit of the public’s views. The Office has also undertaken a Final Regulatory Flexibility Act Analysis of the final rule.

Final Regulatory Flexibility Analysis:

**1. Description of the reasons that action by the USPTO is being undertaken:**

The USPTO is reducing certain trademark fees as authorized by Section 10(c) of the AIA. The reductions will reduce total trademark fee collections and promote efficiency for the USPTO and customers through increased electronic communication. Specifically, the USPTO amends its rules to reduce application filing fees for certain applications for registration on the Principal or Supplemental Register under Section 1 and/or Section 44 of the Trademark Act, and for TEAS requests for transformation of an extension of protection to the United States into a U.S. application filed pursuant to § 7.31, and to reduce the fee for renewal of a trademark registration that is filed through TEAS.

## **2. Succinct statement of the objectives of, and legal basis for, the final rulemaking:**

The objectives of the final rulemaking are to reduce total trademark filing and renewal fees and fee collections, improve the alignment of Office costs with revenues, and promote efficiency for the USPTO and customers through electronic communication. Filing through TEAS and authorizing e-mail communication expedites processing, shortens pendency, minimizes manual processing and the potential for data entry errors, and is more efficient for both the filer and the USPTO. TEAS-filed documents are automatically uploaded into the USPTO database. They require no manual scanning or creation of a paper file wrapper, and they often reduce or eliminate the need for manual data entry of amendments to the filings. Authorizing e-mail communication provides similar benefits, by reducing the need for mailing and the creation of, or addition to, a file wrapper. Paper filings, on the other hand, necessitate: (1) manual scanning and uploading of the documents into the USPTO database; (2) manual data entry of information; and (3) the creation of paper file wrappers in which to store the originals of the paper filings. Thus, the final rulemaking facilitates efficiency in numerous ways. As to the legal basis for the revisions, Section 10(c) of the AIA provides the authority for the Director to reduce trademark fees after consultation with the TPAC. See also Section 31 of the Trademark Act, 15 U.S.C. 1113. Both 15 U.S.C. 1123 and 35 U.S.C. 2 provide the authority for the Director to establish regulations for the conduct of trademark proceedings at the USPTO.

## **3. Description of and, where feasible, estimate of the number of affected small entities:**

The USPTO does not collect or maintain statistics in trademark cases on small-versus large-entity applicants, and this information would be required in order to determine the number of small entities that would be affected by the final rulemaking. However, the USPTO will provide projected estimates of each type of filing affected by the final rulemaking. The overall impact of the lower fees on applicants and registrants will be overwhelmingly positive, as they will be afforded the opportunity to obtain a trademark registration for a reduced fee.

The final rulemaking could apply to any entity filing a trademark application, except those filing under Section 66(a), 15 U.S.C. 1141f(a). The USPTO estimates that during the first year under the final rulemaking, the USPTO would receive 103,633 classes of TEAS RF applications that, absent the rule change, likely would have been filed as regular TEAS applications, as well as 204,682 classes of TEAS Plus applications. Thus, the estimated financial impact of the reduced fees will be: (1) a \$10,234,100 reduction in fees for TEAS Plus applicants; and (2) a \$5,181,650 reduction in fees for TEAS RF applicants, or \$5,065,100, when the estimated 2,331 classes of TEAS RF applicants who likely will be required to pay the \$50 processing fee are taken into consideration. Turning to the renewal fee, the USPTO estimates that during the first year under the final rulemaking, the USPTO would receive 62,315 classes of renewals, 61,193 of which will be filed through TEAS, such that the financial impact will be a \$6,119,300 reduction in fees for trademark owners. The USPTO does not collect or maintain statistics in trademark cases on small- versus large-entity applicants to determine what subset of applicants would be small entities impacted by the final rule.

**4. Description of the reporting, recordkeeping, and other compliance requirements of the final rulemaking, including an estimate of the classes of small entities that will be subject to the requirement and the type of professional skills necessary for preparation of the report or record:**

The final rules impose no new reporting or recordkeeping requirements.

The final rules reduce fees for applications, requests for transformation of an extension of protection to the United States into a U.S. application, and renewals of trademark registrations. The USPTO does not anticipate that the final rulemaking will have a disproportionate impact upon any particular class of small or large entities. Any entity that applies for or renews a registered trademark may choose to benefit from the final rules. The final rulemaking merely offers lower fees based on electronic filing of the renewal or application and other documents, and authorization for e-mail communication from the USPTO. Because the fees for filing a paper application, a regular TEAS application, a paper request for transformation of an extension of protection to the United States into a U.S. application, and a paper application for renewal of a registration remain unchanged under the final rules, and applicants may continue to file on paper or via the regular TEAS application form, the filer may choose whether to undertake the requirements for the reduced-fee options in the final rules. Procedures for TEAS Plus filers remain the same, as the final rules merely reduce fees and consolidate the TEAS Plus procedures within one rule, without imposing any change in practice. Filers using the new TEAS RF option must submit specified documents electronically using TEAS during the prosecution of the application and must authorize e-mail communication from the USPTO.

The USPTO estimates that filing electronically likely will take less time than filing the same type of document on paper and will not take any more time. The USPTO further estimates that communicating by e-mail will not take any more time than receiving and reviewing a USPTO communication sent by regular mail and is likely to take less time.

**5. Description of any significant alternatives to the final rulemaking which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the rules on small entities:**

The USPTO has considered whether and how it is appropriate to reduce any burden on small businesses through increased flexibility. The following options have been considered, but rejected, by the USPTO, since they are less protective of small businesses.

The alternative of not offering the identified reduced fees, or not offering them to small entities, would retain the status quo for small entities and therefore produce no economic impact on them, but that alternative has been rejected because the economic effect of the final rules will be favorable to small businesses, rather than burdensome. In addition, the alternative of not reducing fees would fail to accomplish the stated objectives of reducing overall trademark fee collections and increasing efficiency for the USPTO and filers.

The final rulemaking provides streamlined and simplified procedures for all small entities, as well as others, given the ease of filing electronically through TEAS and communicating by e-mail. Thus, compliance will be streamlined and simplified for all

affected entities. The fee reductions promote greater efficiency from electronic filing and communication, as the procedures are simpler and not burdensome.

Use of performance rather than design standards is not applicable to the final rulemaking because the USPTO is not issuing any sort of standard. Rather, the final rulemaking offers reduced fees to applicants and registrants who file and communicate electronically with the USPTO.

**6. Identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the final rules:**

The final rules do not duplicate, overlap, or conflict with any other Federal rules.

Executive Order 12866 (Regulatory Planning and Review): This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

Executive Order 13563 (Improving Regulation and Regulatory Review): The USPTO has complied with Executive Order 13563 (Jan. 18, 2011). Specifically, the USPTO has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify the costs of the rules; (2) tailored the rules to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) provided the public with a meaningful opportunity to participate in the regulatory process, including soliciting the views of those likely affected prior to issuing a notice of proposed rulemaking, and provided online access to the rulemaking docket; (7) attempted to promote coordination,

simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes, to the extent applicable.

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

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 this final rule, the USPTO submitted a report containing the final rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this final rule 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 is not a “major rule” as defined in 5 U.S.C. 804(2).

Unfunded Mandates Reform Act of 1995: The changes set forth in this rulemaking 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.

Paperwork Reduction Act: This rule involves 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.). An information collection request was submitted to OMB under control numbers 0651-0009 and 0651-0055 at the time of the Notice of Proposed Rulemaking, and a pre-approval was given. Since that time no substantive changes to the burden have been made. Additionally, the agency will follow up with a change worksheet submission to reconcile any burden estimate adjustments, especially as regards OMB Control Number 0651-0051.

**I. Summary:** The USPTO is reducing certain trademark fees, as authorized by the AIA. The reductions will reduce total trademark fee collections and promote efficiency for the USPTO and customers through electronic communication and will further the USPTO's strategic objective to increase the end-to-end electronic processing of trademark applications including online filing, electronic file management, and workflow. Specifically, the USPTO amends its rules to permit a trademark applicant using the regular TEAS application form to file an application for registration on the Principal or Supplemental Register under Section 1 and/or Section 44 of the Trademark Act, and an applicant who files a TEAS request for transformation of an extension of protection to the United States into a U.S. application, to pay a reduced fee under certain

circumstances. The reduced fee is available to a TEAS applicant if the applicant agrees to receive communications concerning the application by e-mail and to file all responses and other documents through TEAS during the prosecution of the application. The reduced-fee option does not apply to applications filed pursuant to Section 66(a) of the Act because they cannot be filed through TEAS. The USPTO also amends its rules to reduce the filing fees for an application filed using the TEAS Plus form and a TEAS application for renewal of a registration.

## **II. Data**

**Needs and Uses:** The public uses the various applications to apply for the registration of trademarks/service marks, collective trademarks/service marks, collective membership marks, and certification marks that identify goods and services classified in single or multiple classes. The public also uses applications under Section 44 to apply for a priority filing date and/or for registration based upon foreign registration of a mark. The USPTO uses information from the public to receive and process applications for registration of trademarks/service marks, collective trademarks/service marks, collective membership marks, and certification marks. The USPTO uses information from the public in response to Section 44 applications to process applications for registration of a mark based upon earlier-filed foreign applications or a foreign registration. In addition, the USPTO also uses the application information to determine whether the marks may be registered. The public uses the application for renewal to apply for the renewal of a registration. The USPTO uses information from the public to receive and process applications for renewal of a registration.

**Title of Collection:** Applications for Trademark Registration.

**OMB Control Number:** 0651-0009.

**Form Number(s):** PTO Forms 1478, 1480, 1481, 1482.

**Type of Review:** Revised Collection.

**Method of Collection:** By mail, facsimile, hand delivery, or electronically to the Office.

**Affected Public:** Individuals or households; businesses or other for-profits; and not-for-profit institutions.

**Estimated Number of Responses:** 359,560.

**Estimated Time per Response:** The Office estimates that the responses in this collection will take the public approximately 18 to 30 minutes (0.3 to 0.5 hours).

**Estimated Total Annual Respondent Burden Hours:** 125,373 hours per year.

**Estimated Total Annual Respondent Cost Burden:** \$48,770,097 per year.

**Estimated Total Annual Non-hour Respondent Cost Burden:** \$97,548,226 per year.

**Title of Collection:** Post Registration (Trademark Processing).

**OMB Control Number:** 0651-0055.

**Form Number(s):** PTO Form 1963.

**Type of Review:** Revised Collection.

**Method of Collection:** By mail, facsimile, hand delivery, or electronically to the Office.

**Affected Public:** Individuals or households; businesses or other for-profits; and not-for-profit institutions.

**Estimated Number of Responses:** 51,929.

**Estimated Time per Response:** The Office estimates that the responses in this collection will take the public approximately 12 to 14 minutes (0.20 to 0.23 hours).

**Estimated Total Annual Respondent Burden Hours:** 10,414 hours per year.

**Estimated Total Annual Respondent Cost Burden:** \$4,050,988 per year.

**Estimated Total Annual Non-hour Respondent Cost Burden:** \$20,865,550 per year.

**Title of Collection:** Madrid Protocol.

**OMB Control Number:** 0651-0051.

**Form Number(s):** PTO Global Form.

**Type of Review:** Revised Collection.

**Method of Collection:** By mail, facsimile, hand delivery, or electronically to the Office.

**Affected Public:** Individuals or households; businesses or other for-profits; and not-for-profit institutions.

**Estimated Number of Responses:** 6,623.

**Estimated Time per Response:** The Office estimates that the responses in this collection will take the public approximately 15 minutes to one hour and 15 minutes (0.25 to 1.25 hours).

**Estimated Total Annual Respondent Burden Hours:** 1,711 hours per year.

**Estimated Total Annual Respondent Cost Burden:** \$634,781 per year.

**Estimated Total Annual Non-hour Respondent Cost Burden:** \$743,875 per year.

### **III. Solicitation**

Comments were solicited to: (1) evaluate whether the information requirement is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) evaluate the accuracy of the agency's estimate of the burden; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of collecting the information on those who are

to respond, including by using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Regarding whether the collection of information enhances the quality, utility, and clarity of the information to be collected, the USPTO received two comments.

Comment: The commenters noted that the proposed changes will result in more accurate and carefully tailored trademark applications by allowing applicants to submit the most accurate and comprehensive designation of goods and services since they will not have to choose designations from the ID Manual, which the commenter contends results in inefficiencies not only for the companies seeking to register a mark, but also for the USPTO and other companies conducting trademark searches. The commenter also asserts that the proposed changes would help applicants receive the maximum benefits of the USPTO system. One commenter noted that requests for extensions of protection encounter a number of inefficiencies arising from the data transfer from WIPO to the Office and recommended that these inefficiencies be addressed by the Office as part of the rule or in a separate request for comment.

Response: The USPTO agrees with the commenters regarding the benefits of providing a reduced-fee option while permitting applicants to submit their own identifications of goods and services.

The USPTO appreciates the suggestions regarding requests for extension of protection but notes that the Office is unaware of the alleged inefficiencies of using an entry from the ID Manual and notes that these requests are not part of the information collection impacted by this final rulemaking. Any more detailed comments about this

subject outside the scope of this final rulemaking may be submitted to the USPTO through [TMFeedback@USPTO.gov](mailto:TMFeedback@USPTO.gov).

As to whether changes minimize the burden of collecting the information on those who are to respond, including by using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, the USPTO received no comments.

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 2**

Administrative practice and procedure, Trademarks.

For the reasons stated in the preamble and under the authority contained in Section 10(c) of the AIA, 15 U.S.C. 1113, 15 U.S.C. 1123, and 35 U.S.C. 2, as amended, the USPTO amends part 2 of title 37 as follows:

#### **PART 2 - RULES OF PRACTICE IN TRADEMARK CASES**

1. The authority citation for part 2 is revised to read as follows:

**Authority:** 15 U.S.C. 1113, 15 U.S.C. 1123, 35 U.S.C. 2, Section 10(c) of Pub.

L. 112–29, unless otherwise noted.

2. Amend § 2.6 by revising paragraphs (a)(1)(iii) and (iv), adding paragraph (a)(1)(v), and revising paragraph (a)(5) to read as follows:

**§ 2.6 Trademark fees.**

\* \* \* \* \*

(a) \* \* \*

(1) \* \* \*

(iii) For filing a TEAS Reduced Fee (RF) application through TEAS under § 2.23, per class—\$275

(iv) For filing a TEAS Plus application through TEAS under § 2.22, per class—\$225.00

(v) Additional processing fee under §§ 2.22(c) or 2.23(c), per class—\$50.00

\* \* \* \* \*

(5) Application for renewal of a registration fees.

(i) For filing an application for renewal of a registration on paper, per class—\$400.00

(ii) For filing an application for renewal of a registration through TEAS, per class—\$300.00

\* \* \* \* \*

3. Amend § 2.22 by revising the section heading, paragraph (a) introductory text, and paragraphs (b) and (c) and adding paragraph (d) to read as follows:

**§ 2.22 Requirements for a TEAS Plus application.**

(a) A trademark/service mark application for registration on the Principal Register under section 1 and/or section 44 of the Act will be entitled to a reduced filing fee under § 2.6(a)(1)(iv) if it is filed through TEAS and includes:

\* \* \* \* \*

(b) In addition to the filing requirements under paragraph (a) of this section, the applicant must:

(1) File the following communications through TEAS:

(i) Responses to Office actions (except notices of appeal under section 20 of the Trademark Act);

(ii) Requests to change the correspondence address and owner's address;

(iii) Appointments and/or revocations of power of attorney;

(iv) Appointments and/or revocations of domestic representative;

(v) Voluntary amendments;

(vi) Amendments to allege use under section 1(c) of the Act or statements of use under section 1(d) of the Act;

(vii) Requests for extensions of time to file a statement of use under section 1(d) of the Act; and

(viii) Requests to delete a section 1(b) basis.

(2) Maintain a valid e-mail correspondence address and continue to receive communications from the Office by e-mail.

(c) If an application does not fulfill the requirements of paragraphs (a) and (b) of this section, the applicant must pay the processing fee required by § 2.6(a)(1)(v). The application will retain its original filing date, provided that when filed, the application met the filing date requirements of § 2.21.

(d) The following types of applications cannot be filed as TEAS Plus applications:

- (1) Applications for certification marks (see § 2.45);
- (2) Applications for collective trademarks and service marks (see § 2.44);
- (3) Applications for collective membership marks (see § 2.44); and
- (4) Applications for registration on the Supplemental Register (see § 2.47).

4. Revise § 2.23 to read as follows:

**§ 2.23 Requirements for a TEAS RF application.**

(a) A trademark, service mark, certification mark, collective membership mark, or collective trademark application for registration on the Principal or Supplemental Register under section 1 and/or section 44 of the Act will be entitled to a reduced filing fee under § 2.6(a)(1)(iii) if it is filed through TEAS and includes:

- (1) An e-mail address for correspondence; and
- (2) An authorization for the Office to send correspondence concerning the application to the applicant or applicant's attorney by e-mail.

(b) In addition to the filing requirements under paragraph (a) of this section, the applicant must:

- (1) File the following communications through TEAS:

- (i) Responses to Office actions (except notices of appeal under section 20 of the Trademark Act);
  - (ii) Requests to change the correspondence address and owner's address;
  - (iii) Appointments and/or revocations of power of attorney;
  - (iv) Appointments and/or revocations of domestic representative;
  - (v) Voluntary amendments;
  - (vi) Amendments to allege use under section 1(c) of the Act or statements of use under section 1(d) of the Act;
  - (vii) Requests for extensions of time to file a statement of use under section 1(d) of the Act; and
  - (viii) Requests to delete a section 1(b) basis.
- (2) Maintain a valid e-mail correspondence address, and continue to receive communications from the Office by e-mail.

(c) If an application does not meet the requirements of paragraphs (a) and (b) of this section, the applicant must pay the processing fee required by § 2.6(a)(1)(v). The application will retain its original filing date, provided that when filed, the application met the filing date requirements of § 2.21.

Dated: December 10, 2014.

Michelle K. Lee,  
Deputy Under Secretary of Commerce for  
Intellectual Property and Deputy Director,  
United States Patent and Trademark Office.

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