

are not dominant in their field of operation, and have total annual revenue below \$7,000,000. Nonprofit institutions are defined as small entities if they are independently owned and operated and not dominant in their field of operation. Public institutions are defined as small organizations if they are operated by a government overseeing a population below 50,000.

Of the impacts we estimate accruing to grantees or eligible entities, all are voluntary and related mostly to an increase in the number of applications prepared and submitted annually for competitive grant competitions. Therefore, we do not believe that the proposed definition would significantly impact small entities beyond the potential for increasing the likelihood of their applying for, and receiving, competitive grants from the Department.

Paperwork Reduction Act of 1995

The proposed definition does not contain any information collection requirements.

Intergovernmental Review: This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. One of the objectives of the Executive order is to foster an intergovernmental partnership and a strengthened federalism. The Executive order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

This document provides early notification of our specific plans and actions for this program.

Accessible Format: On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, or compact disc, or other accessible format.

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Ian Rosenblum,

Deputy Assistant Secretary for Policy and Programs Delegated the Authority to Perform the Functions and Duties of the Assistant Secretary for the Office of Elementary and Secondary Education.

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DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 1

[Docket No.: PTO-P-2021-0007]

RIN 0651-AD54

Electronic Patent Issuance

AGENCY: United States Patent and Trademark Office, Department of Commerce.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The United States Patent and Trademark Office (USPTO) is proposing to implement electronic patent issuance. Under the proposed change, the USPTO would issue patents electronically through its patent document viewing systems (*i.e.*, Patent Center and Patent Application Image Retrieval (PAIR)). Patents would no longer be issued on paper, and as a result, they would no longer be mailed to the correspondence address of record as part of the patent issuance process. The elimination of these steps would allow issued patents to be available weeks sooner in electronic form, and the patentee would be able to view and print the complete issued patent via the USPTO's patent document viewing systems immediately upon issue. Patentees would continue to have the option of ordering an unlimited number of paper presentation copies and certified copies of patents.

DATES: Comments must be received by February 14, 2022 to ensure consideration.

ADDRESSES: For reasons of Government efficiency, comments must be submitted through the Federal eRulemaking Portal at www.regulations.gov. To submit comments via the portal, enter docket number PTO-P-2021-0007 on the homepage and click "Search." The site will provide a search results page listing all documents associated with this docket. Find a reference to this document and click on the "Comment

Now!" icon, complete the required fields, and enter or attach your comments. Attachments to electronic comments will be accepted in ADOBE® portable document format or MICROSOFT WORD® format. Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

Visit the Federal eRulemaking Portal (www.regulations.gov) for additional instructions on providing comments via the portal. If electronic submission of comments is not feasible due to a lack of access to a computer and/or the internet, please contact the USPTO using the contact information below for special instructions.

FOR FURTHER INFORMATION CONTACT: Mark Polutta, Office of Patent Legal Administration, Office of the Deputy Commissioner for Patents, at 571-272-7709. For technical questions, contact the Patent Electronic Business Center (EBC) at 1-866-217-9197 (toll-free), 571-272-4100 (local), or ebc@uspto.gov. The EBC is open from 6 a.m. to midnight ET, Monday through Friday.

SUPPLEMENTARY INFORMATION: The USPTO is proposing to issue and publish patent grants electronically via the USPTO's document viewing systems. By doing so, the USPTO is continuing with its efforts to move to fully electronic processing of its patent applications. The electronic patent issuance process would enable the USPTO to issue patents approximately two weeks faster than the current process.

One of the specific powers granted to the USPTO by 35 U.S.C. 2(b)(1) is to "adopt and use a seal of the Office, which shall be judicially noticed and with which letters patent . . . issued by the Office shall be authenticated." Currently, the USPTO issues "letters patent" (hereafter, patents) as paper patents under the seal of the USPTO, by virtue of being bound with a cover sheet that has both an embossed seal and the signature of the USPTO Director. As proposed, the USPTO would instead issue patents electronically under a new digital USPTO seal and with a digital signature from the USPTO Director, and the patents would be made available via the USPTO's patent document viewing systems upon patent issuance. In the USPTO's patent document viewing systems, a patentee would be able to view and print the patent in its entirety, including the cover sheet, front page, drawings, specification, and claims.

In order to implement electronic patent issuance, the USPTO is proposing to remove and reserve 37 CFR 1.315, which states that “[t]he patent will be delivered or mailed upon issuance to the correspondence address of record.” Under the proposed changes, because patents would be issued electronically rather than on paper, the USPTO would no longer physically deliver the patent by mailing it to the correspondence address. Instead, the USPTO would issue the patent electronically via the USPTO’s patent document viewing systems.

Background

The USPTO has undertaken numerous efforts to establish beginning-to-end electronic processing for patent applications. In 2001, the agency implemented the electronic filing system to provide applicants the capability of filing their patent applications electronically. *See* Electronic Filing System Available to Public, 1240 Off. Gaz. Pat. Office 45 (Nov. 14, 2000). In 2003, the USPTO launched the Image File Wrapper system, which uses image technology to replace the paper processing of patent applications by utilizing the electronic data processing system for the storage and maintenance of all the records associated with patent applications. *See* Changes to Implement Electronic Maintenance of Official Patent Application Records, 68 FR 38611 (June 30, 2003); 1272 Off. Gaz. Pat. Office 197 (July 29, 2003). In 2007, the USPTO initiated the e-Office Action Program, which provides electronic notifications of some outgoing correspondence. *See* Electronic Notification of Outgoing Correspondence (e-Office Action) Update, 1319 Off. Gaz. Pat. Office 146 (June 26, 2007).

Further, the USPTO uses its patent document viewing systems to provide electronic access to the patent application file. These systems have a private side and a public side. The public side provides any member of the public with access to a display of the information contained in applications that have been patented, published, or otherwise made available pursuant to 37 CFR 1.14. The public side of the patent document viewing systems does not provide public access to information concerning applications that are maintained in confidence under 35 U.S.C. 122(a). The private side of these systems may be used by an applicant to access a display of the information contained in their pending application, regardless of whether it is being maintained in confidence under 35 U.S.C. 122(a) or has been published

under 35 U.S.C. 122(b). To access the private side of the USPTO’s patent document viewing systems, a customer number must be associated with the correspondence address for the application, and the user of the system must have a verified *USPTO.gov* account with two-step authentication. For further information, contact the Customer Support Center of the EBC via the methods described above.

In an effort to continue streamlining its service delivery processes, the USPTO is now proposing to implement electronic patent issuance and to store the granted patent in the USPTO’s patent document viewing systems.

I. Current Paper Patent Issuance Process: Under the current patent issuance process, electronic capture of the information in a patent to be issued and printed (the Initial Data Capture) begins shortly after the notice of allowance has been mailed. Most of the information for printing a patent is electronically captured during the Initial Data Capture. When the Initial Data Capture is completed, and if the issue fee has been paid and all other requirements are timely met (*e.g.*, corrected drawings have been timely filed), the Final Data Capture process begins. After the Final Data Capture and final issue preparation are completed, the patent number and issue date are assigned. An Issue Notification is mailed generally three weeks prior to the issue date to inform the applicant of the patent number and issue date. The Issue Notification is also available electronically in the USPTO’s patent document viewing systems. The paper patent (including its cover sheet) is then prepared and mailed to the patentee, generally on the issue date. On that date, the USPTO also publishes in the Official Gazette the patent number, title of the patent, names and residences of the inventors, the applicant, the assignee (if applicable), the filing and priority dates, the text of the first claim of the patent, the total number of claims in the patent, and the representative figure (if applicable). Once a paper patent is issued, a copy of the patent (without its cover sheet) is available for viewing and printing by the public on the USPTO’s website at www.uspto.gov/patents/search, via the Patent Full-Text and Full-Page Image Databases.

II. Proposed Electronic Patent Issuance Process: Electronic patent publication would result in electronic patent issuance under the USPTO seal and with the Director’s signature within one week, instead of three weeks, after the patent number and issue date are assigned. Thus, by discontinuing the printing, assembling, and mailing of a

paper patent upon issuance, the USPTO would be able to reduce the pendency of every issued patent application by approximately two weeks. Applicants and the public would benefit from the time saved. In addition, patentees would be able to view and print their electronically issued patents (including their cover sheets) through the USPTO’s patent document viewing systems, rather than waiting for their paper patent to arrive by mail. The USPTO proposes to make electronic patent grants available on both the public and private sides of the USPTO’s patent document viewing systems such that the public would also be able to view the official electronic patent grant (including its cover sheet). Additionally, the USPTO is considering electronically issuing reexamination certificates, statutory invention registrations, patent term extension certificates, and certificates of correction rather than mailing them.

Patentees may exercise the legal rights granted by the patent without physical possession of it because the patent right exists independently of the physical possession of the patent. *See* Changes to Support Implementation of the United States Patent and Trademark Office 21st Century Strategic Plan, 69 FR 56481, 56521 (Sept. 21, 2004); 1287 Off. Gaz. Pat. Office 67, 98 (Oct. 12, 2004). Furthermore, under the proposed rule change, patentees who want a copy of the electronically issued patent would be able to access it themselves through the USPTO’s patent document viewing systems and print it at no charge.

Under the proposed electronic patent issuance process, the USPTO would issue the patent shortly after the payment of the issue fee. As a result, applicants would have less time, after the payment of the issue fee, to file continuing applications, Quick Path Information Disclosure Statements, or petitions under 37 CFR 1.313(c) to withdraw an application from issue. Therefore, the best practice would be for applicants to file these submissions as early as possible. Preferably, continuing applications should be filed before the payment of the issue fee. *See* Filing of Continuing Applications, Amendments, or Petitions after Payment of Issue Fee, 1221 Off. Gaz. Pat. Office 14 (Apr. 6, 1999).

Under the proposed electronic patent issuance process, patents would be issued about one week after the patent number is assigned. Issue Notifications would be available electronically via the USPTO’s patent document viewing systems approximately three to four weeks after the payment of the issue fee, usually on the Thursday before the

patent issues. For those applicants who participate in the e-Office action program, the USPTO emails notification of the Issue Notification to the applicant's designated email address. For more information regarding the e-Office action program, see *Electronic Office Action*, 1342 Off. Gaz. Pat. Office 45 (June 2, 2009). For those who do not participate in the e-Office action program, the USPTO foresees the possibility that a patent may issue electronically before the applicant receives a mailed Issue Notification. The USPTO encourages applicants to use the e-Office action program to avoid this possibility.

III. Proposed Electronic Patent Grant May Be Viewed and Printed Via the USPTO's Patent Document Viewing Systems: As proposed, the USPTO would upload the patent (including its cover sheet) electronically, thereby making the patent available to the patentee through the USPTO's patent document viewing systems. Patentees would be able to print an unlimited number of copies of the electronically issued patent (including its cover sheet in color) through the USPTO's patent document viewing systems upon the issuance of the patent at no charge. Additionally, the electronically issued patent would provide the patentee greater control and flexibility in printing their issued patent. Since copies of the patent could be printed on the date of issuance, the USPTO would discontinue offering advance patent copies that can currently be ordered on the PTOL-85 Fee Transmittal (Part B) form.

Although the USPTO would no longer deliver a paper patent to the patentee upon issuance, offer advanced patent copies, or provide duplicate copies of the paper patent, the patentee would still be able to order certified and non-certified copies of the patent for a fee, in accordance with 37 CFR 1.13. In addition, the patentee would still be able to order presentation copies of the patent for a fee. A presentation copy is a signed, ribbon-sealed copy of the first page of the issued patent, suitable for framing. Presentation copies are often preferred for displaying the grant of a U.S. patent, because not only do they add a ribbon to the same gold seal displayed on paper patent grants, but they also identify the inventors, display complete bibliographic data, and contain a brief abstract of the technical disclosure of the invention. In contrast, the cover sheet of a paper patent grant looks the same for every issued paper patent. For further information, visit the USPTO Certified Copy Center web page at <https://certifiedcopycenter.uspto.gov/>.

IV. Cover Sheet of Proposed Electronic Patent Grant: The patent cover sheet in the USPTO's patent document viewing systems, as proposed, would likely be nearly identical in appearance to the cover sheets currently used for paper patents, except that the seal and Director's signature would be in digital form. Importantly, the digital seal and electronic signature of the Director on the proposed electronic patent grant cover sheet would be in conformance with 35 U.S.C. 153, which requires that patents be issued "under the seal of the Patent and Trademark Office, and shall be signed by the Director or have his signature placed thereon and shall be recorded in the Patent and Trademark Office." The new seal would not simply be an electronic image, but rather an official USPTO seal in digital form that serves to authenticate the patent, in conformance with 35 U.S.C. 2(b)(1).

Request for Public Comments

The USPTO invites interested persons and entities to participate in this rulemaking by submitting written comments, data, or views on the proposed regulations addressing the electronic issuance of patent grants, via the methods described earlier in this document.

Rulemaking Requirements

A. Administrative Procedure Act: The changes in this rulemaking involve rules of agency practice and procedure, and/or interpretive rules. See *Perez v. Mortg. Bankers Ass'n*, 135 S. Ct. 1199, 1204 (2015) (Interpretive rules "advise the public of the agency's construction of the statutes and rules which it administers." (citation and internal quotation marks omitted)); *Nat'l Org. of Veterans' Advocates v. Sec'y of Veterans Affairs*, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (rule that clarifies that the interpretation of a statute is interpretive); *Bachow Commc'ns Inc. v. FCC*, 237 F.3d 683, 690 (D.C. Cir. 2001) (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) (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 changes in this rulemaking are not required pursuant to 5 U.S.C. 553(b) or (c), or any other law. See *Perez*, 135 S. Ct. at 1206 (Notice-and-comment procedures are required neither when an agency "issue[s] an initial interpretive rule" nor "when it amends

or repeals that interpretive rule."); *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), do 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)(A))). However, the USPTO has chosen to seek public comment before implementing the rule to benefit from the public's input.

B. Regulatory Flexibility Act: Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), whenever an agency is required by 5 U.S.C. 553 (or any other law) to publish a notice of proposed rulemaking, the agency must prepare and make available for public comment an Initial Regulatory Flexibility Analysis, unless the agency certifies under 5 U.S.C. 605(b) that the proposed rule, if implemented, will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 603, 605. For the reasons set forth herein, the Senior Counsel for Regulatory and Legislative Affairs of the USPTO has certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if implemented, will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b).

The USPTO is proposing to amend the rules of practice to implement electronic publication, that is, issuing patents electronically through the USPTO's patent document viewing systems rather than mailing a copy of the patent to the correspondence address on record. Patentees would then be able to print a copy of the issued patent in its entirety, including the cover sheet that matches the color and design currently used for patent grants on paper, directly from the USPTO's patent document viewing systems.

This change is procedural and is not expected to have a direct economic impact on small entities. The discontinuation of the paper patent grant is not expected to impact the ability of a patent owner to exercise their patent rights as a paper patent grant is not necessary to enforce or license a patent. Once issued, the paper patent grant is merely commemorative. Under the proposed electronic patent issuance, patent owners will be able to access their granted patent at any time. This includes the ability to print their own hard copy. Only when a patent owner would like the Office to print them a hard copy would any additional fee need to be paid (*i.e.*, for a presentation copy or certified copy for

submission to a legal proceeding). The additional fees for presentation and certified copies already exist today and would remain unchanged under this proposed rule. Therefore, for the reasons above, the changes in this proposed rule are not expected to negatively impact small entities.

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

D. 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 proposed rule; (2) tailored the proposed rule 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) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, 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.

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

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

G. Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this proposed rulemaking is not likely to have a significant adverse effect on the

supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

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

I. Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

J. Executive Order 12630 (Taking of Private Property): This rulemaking will not affect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

K. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), prior to issuing any final rule, the USPTO will submit a report containing the 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 proposed rule are not expected to result in an annual effect on the economy of \$100 million 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 proposed rule is not a “major rule” as defined in 5 U.S.C. 804(2).

L. Unfunded Mandates Reform Act of 1995: The proposed 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 (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 (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.*

M. National Environmental Policy Act of 1969: This rulemaking will not have any effect on the quality of the

environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. *See* 42 U.S.C. 4321 *et seq.*

N. National Technology Transfer and Advancement Act of 1995: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions that involve the use of technical standards.

O. Paperwork Reduction Act of 1995: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501) requires that the USPTO consider the impact of paperwork and other information collection burdens imposed on the public. This proposed rule does not involve an information collection requirement that is subject to review by the Office of Management and Budget under the Paperwork Reduction Act of 1995.

P. E-Government Act Compliance: The USPTO is committed to compliance with the E-Government Act to promote the use of the internet and other information technologies, to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects for 37 CFR Part 1

Administrative practice and procedure, Biologics, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

For the reasons stated in the preamble, the Office proposes to amend 37 CFR part 1 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

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

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

§ 1.315 [Removed and Reserved]

■ 2. Section 1.315 is removed and reserved.

Andrew Hirshfeld,

Commissioner for Patents, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

[FR Doc. 2021–27117 Filed 12–14–21; 8:45 am]

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