

§ 1.26 Refunds.

(a) The Director may refund any fee paid by mistake or in excess of that required. A change of purpose after the payment of a fee, such as when a party desires to withdraw a patent filing for which the fee was paid, including an application, an appeal, or a request for an oral hearing, will not entitle a party to a refund of such fee. The Office will not refund amounts of twenty-five dollars or less unless a refund is specifically requested, and will not notify the payor of such amounts. If a party paying a fee or requesting a refund does not provide the banking information necessary for making refunds by electronic funds transfer (31 U.S.C. 3332 and 31 CFR part 208), or instruct the Office that refunds are to be credited to a deposit account, the Director may require such information, or use the banking information on the payment instrument to make a refund. Any refund of a fee paid by credit card will be by a credit to the credit card account to which the fee was charged.

(b) Any request for refund must be filed within two years from the date the fee was paid, except as otherwise provided in this paragraph or in § 1.28(a). If the Office charges a deposit account by an amount other than an amount specifically indicated in an authorization (§ 1.25(b)), any request for refund based upon such charge must be filed within two years from the date of the deposit account statement indicating such charge, and include a copy of that deposit account statement. The time periods set forth in this paragraph are not extendable.

(c) If the Director decides not to institute a reexamination proceeding in response to a request for reexamination or supplemental examination, fees paid with the request for reexamination or supplemental examination will be refunded or returned in accordance with paragraphs (c)(1) through (c)(3) of this section. The reexamination requester or the patent owner who requested a supplemental examination proceeding, as appropriate, should indicate the form in which any refund should be made (*e.g.*, by check, electronic funds transfer, credit to a deposit account). Generally, refunds will

be issued in the form that the original payment was provided.

(1) For an *ex parte* reexamination request, the *ex parte* reexamination filing fee paid by the reexamination requester, less the fee set forth in § 1.20(c)(7), will be refunded to the requester if the Director decides not to institute an *ex parte* reexamination proceeding.

(2) For an *inter partes* reexamination request, a refund of \$7,970 will be made to the reexamination requester if the Director decides not to institute an *inter partes* reexamination proceeding.

(3) For a supplemental examination request, the fee for reexamination ordered as a result of supplemental examination, as set forth in § 1.20(k)(2), will be returned to the patent owner who requested the supplemental examination proceeding if the Director decides not to institute a reexamination proceeding.

(35 U.S.C. 6; 15 U.S.C. 1113, 1123)

[47 FR 41274, Sept. 17, 1982, as amended at 50 FR 31826, Aug. 6, 1985; 54 FR 6902, Feb. 15, 1989; 56 FR 65153, Dec. 13, 1991; 57 FR 38195, Aug. 21, 1992; 62 FR 53183, Oct. 10, 1997; 65 FR 54659, Sept. 8, 2000; 65 FR 76773, Dec. 7, 2000; 68 FR 48289, Aug. 13, 2003; 72 FR 46836, Aug. 21, 2007; 74 FR 52688, Oct. 14, 2009; 77 FR 48851, Aug. 14, 2012]

§ 1.27 Definition of small entities and establishing status as a small entity to permit payment of small entity fees; when a determination of entitlement to small entity status and notification of loss of entitlement to small entity status are required; fraud on the Office.

(a) *Definition of small entities.* A small entity as used in this chapter means any party (person, small business concern, or nonprofit organization) under paragraphs (a)(1) through (a)(3) of this section.

(1) *Person.* A person, as used in paragraph (c) of this section, means any inventor or other individual (*e.g.*, an individual to whom an inventor has transferred some rights in the invention) who has not assigned, granted, conveyed, or licensed, and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention. An inventor or other individual who has transferred some rights in the invention to one or

more parties, or is under an obligation to transfer some rights in the invention to one or more parties, can also qualify for small entity status if all the parties who have had rights in the invention transferred to them also qualify for small entity status either as a person, small business concern, or nonprofit organization under this section.

(2) *Small business concern.* A small business concern, as used in paragraph (c) of this section, means any business concern that:

(i) Has not assigned, granted, conveyed, or licensed, and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person, concern, or organization which would not qualify for small entity status as a person, small business concern, or nonprofit organization; and

(ii) Meets the size standards set forth in 13 CFR 121.801 through 121.805 to be eligible for reduced patent fees. Questions related to standards for a small business concern may be directed to: Small Business Administration, Size Standards Staff, 409 Third Street, SW., Washington, DC 20416.

(3) *Nonprofit organization.* A nonprofit organization, as used in paragraph (c) of this section, means any nonprofit organization that:

(i) Has not assigned, granted, conveyed, or licensed, and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person, concern, or organization which would not qualify as a person, small business concern, or a nonprofit organization; and

(ii) Is either:

(A) A university or other institution of higher education located in any country;

(B) An organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a));

(C) Any nonprofit scientific or educational organization qualified under a nonprofit organization statute of a state of this country (35 U.S.C. 201(i)); or

(D) Any nonprofit organization located in a foreign country which would

qualify as a nonprofit organization under paragraphs (a)(3)(ii)(B) of this section or (a)(3)(ii)(C) of this section if it were located in this country.

(4) *Federal Government Use License Exceptions.* In a patent application filed, prosecuted, and if patented, maintained at no expense to the Government, with the exception of any expense taken to deliver the application and fees to the Office on behalf of the applicant:

(i) For persons under paragraph (a)(1) of this section, claiming small entity status is not prohibited by:

(A) A use license to the Government resulting from a rights determination under Executive Order 10096 made in accordance with § 501.6 of this title;

(B) A use license to the Government resulting from Federal agency action pursuant to 15 U.S.C. 3710d(a) allowing the Federal employee-inventor to obtain or retain title to the invention; or

(C) A use license to a Federal agency resulting from retention of rights under 35 U.S.C. 202(d) by an inventor employed by a small business concern or nonprofit organization contractor, provided the license is equivalent to the license under 35 U.S.C. 202(c)(4) the Federal agency would have received had the contractor elected to retain title, and all the conditions applicable under § 401.9 of this title to an employee/inventor are met.

(ii) For small business concerns and nonprofit organizations under paragraphs (a)(2) and (3) of this section, a use license to a Federal agency resulting from a funding agreement with that agency pursuant to 35 U.S.C. 202(c)(4) does not preclude claiming small entity status, provided that:

(A) The subject invention was made solely by employees of the small business concern or nonprofit organization; or

(B) In the case of a Federal employee co-inventor, the Federal agency employing such co-inventor took action pursuant to 35 U.S.C. 202(e)(1) to exclusively license or assign whatever rights currently held or that it may acquire in the subject invention to the small business concern or nonprofit organization, subject to the license under 35 U.S.C. 202(c)(4).

(iii) For small business concerns and nonprofit organizations under paragraphs (a)(2) and (3) of this section that have collaborated with a Federal agency laboratory pursuant to a cooperative research and development agreement (CRADA) under 15 U.S.C. 3710a(a)(1), claiming small entity status is not prohibited by a use license to the Government pursuant to:

(A) 15 U.S.C. 3710a(b)(2) that results from retaining title to an invention made solely by the employee of the small business concern or nonprofit organization; or

(B) 15 U.S.C. 3710a(b)(3)(D), provided the laboratory has waived in whole any right of ownership the Government may have to the subject invention made by the small business concern or nonprofit organization, or has exclusively licensed whatever ownership rights the Government may acquire in the subject invention to the small business concern or nonprofit organization.

(iv) Regardless of whether an exception under this paragraph (a)(4) applies, no refund under § 1.28(a) is available for any patent fee paid by the Government.

(5) *Security Interest.* A security interest does not involve an obligation to transfer rights in the invention for the purposes of paragraphs (a)(1) through (a)(3) of this section unless the security interest is defaulted upon.

(b) *Establishment of small entity status permits payment of reduced fees.* (1) A small entity, as defined in paragraph (a) of this section, who has properly asserted entitlement to small entity status pursuant to paragraph (c) of this section will be accorded small entity status by the Office in the particular application or patent in which entitlement to small entity status was asserted. Establishment of small entity status allows the payment of certain reduced patent fees pursuant to 35 U.S.C. 41(h)(1).

(2) Submission of an original utility application in compliance with the USPTO patent electronic filing system by an applicant who has properly asserted entitlement to small entity status pursuant to paragraph (c) of this section in that application allows the payment of a reduced filing fee pursuant to 35 U.S.C. 41(h)(3).

(c) *Assertion of small entity status.* Any party (person, small business concern or nonprofit organization) should make a determination, pursuant to paragraph (f) of this section, of entitlement to be accorded small entity status based on the definitions set forth in paragraph (a) of this section, and must, in order to establish small entity status for the purpose of paying small entity fees, actually make an assertion of entitlement to small entity status, in the manner set forth in paragraphs (c)(1) or (c)(3) of this section, in the application or patent in which such small entity fees are to be paid.

(1) *Assertion by writing.* Small entity status may be established by a written assertion of entitlement to small entity status. A written assertion must:

(i) Be clearly identifiable;

(ii) Be signed (see paragraph (c)(2) of this section); and

(iii) Convey the concept of entitlement to small entity status, such as by stating that applicant is a small entity, or that small entity status is entitled to be asserted for the application or patent. While no specific words or wording are required to assert small entity status, the intent to assert small entity status must be clearly indicated in order to comply with the assertion requirement.

(2) *Parties who can sign the written assertion.* The written assertion can be signed by:

(i) The applicant (§ 1.42 or § 1.421);

(ii) A patent practitioner of record or a practitioner acting in a representative capacity under § 1.34;

(iii) The inventor or a joint inventor, if the inventor is the applicant; or

(iv) The assignee.

(3) *Assertion by payment of the small entity basic filing, basic transmittal, basic national fee, international search fee, or individual designation fee in an international design application.* The payment, by any party, of the exact amount of one of the small entity basic filing fees set forth in § 1.16(a), (b), (c), (d), or (e), the small entity transmittal fee set forth in § 1.445(a)(1) or § 1.1031(a), the small entity international search fee set forth in § 1.445(a)(2) to a Receiving Office other than the United States Receiving Office in the exact amount established for that Receiving Office

pursuant to PCT Rule 16, or the small entity basic national fee set forth in §1.492(a), will be treated as a written assertion of entitlement to small entity status even if the type of basic filing, basic transmittal, or basic national fee is inadvertently selected in error. The payment, by any party, of the small entity first part of the individual designation fee for the United States to the International Bureau (§1.1031) will be treated as a written assertion of entitlement to small entity status.

(i) If the Office accords small entity status based on payment of a small entity basic filing or basic national fee under paragraph (c)(3) of this section that is not applicable to that application, any balance of the small entity fee that is applicable to that application will be due along with the appropriate surcharge set forth in §1.16(f), or §1.16(g).

(ii) The payment of any small entity fee other than those set forth in paragraph (c)(3) of this section (whether in the exact fee amount or not) will not be treated as a written assertion of entitlement to small entity status and will not be sufficient to establish small entity status in an application or a patent.

(4) *Assertion required in related, continuing, and reissue applications.* Status as a small entity must be specifically established by an assertion in each related, continuing and reissue application in which status is appropriate and desired. Status as a small entity in one application or patent does not affect the status of any other application or patent, regardless of the relationship of the applications or patents. The re-filing of an application under §1.53 as a continuation, divisional, or continuation-in-part application (including a continued prosecution application under §1.53(d)), or the filing of a reissue application, requires a new assertion as to continued entitlement to small entity status for the continuing or reissue application.

(d) *When small entity fees can be paid.* Any fee, other than the small entity basic filing fees and the small entity national fees of paragraph (c)(3) of this section, can be paid in the small entity amount only if it is submitted with, or

subsequent to, the submission of a written assertion of entitlement to small entity status, except when refunds are permitted by §1.28(a).

(e) *Only one assertion required.* (1) An assertion of small entity status need only be filed once in an application or patent. Small entity status, once established, remains in effect until changed pursuant to paragraph (g)(1) of this section. Where an assignment of rights or an obligation to assign rights to other parties who are small entities occurs subsequent to an assertion of small entity status, a second assertion is not required.

(2) Once small entity status is withdrawn pursuant to paragraph (g)(2) of this section, a new written assertion is required to again obtain small entity status.

(f) *Assertion requires a determination of entitlement to pay small entity fees.* Prior to submitting an assertion of entitlement to small entity status in an application, including a related, continuing, or reissue application, a determination of such entitlement should be made pursuant to the requirements of paragraph (a) of this section. It should be determined that all parties holding rights in the invention qualify for small entity status. The Office will generally not question any assertion of small entity status that is made in accordance with the requirements of this section, but note paragraph (h) of this section.

(g)(1) *New determination of entitlement to small entity status is needed when issue and maintenance fees are due.* Once status as a small entity has been established in an application or patent, fees as a small entity may thereafter be paid in that application or patent without regard to a change in status until the issue fee is due or any maintenance fee is due.

(2) *Notification of loss of entitlement to small entity status is required when issue and maintenance fees are due.* Notification of a loss of entitlement to small entity status must be filed in the application or patent prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity as defined in paragraph (a) of this section is no longer appropriate.

The notification that small entity status is no longer appropriate must be signed by a party identified in §1.33(b). Payment of a fee in other than the small entity amount is not sufficient notification that small entity status is no longer appropriate.

(h) *Fraud attempted or practiced on the Office.* (1) Any attempt to fraudulently establish status as a small entity, or pay fees as a small entity, shall be considered as a fraud practiced or attempted on the Office.

(2) Improperly, and with intent to deceive, establishing status as a small entity, or paying fees as a small entity, shall be considered as a fraud practiced or attempted on the Office.

[65 FR 54659, Sept. 8, 2000, as amended at 69 FR 56538, Sept. 21, 2004; 70 FR 3889, Jan. 27, 2005; 77 FR 48813, Aug. 14, 2012; 78 FR 4289, Jan. 18, 2013; 80 FR 17955, Apr. 2, 2015; 85 FR 46990, Aug. 3, 2020; 85 FR 82923, Dec. 21, 2020]

§ 1.28 Refunds when small entity status is later established; how errors in small entity status are excused.

(a) *Refunds based on later establishment of small entity status.* A refund pursuant to §1.26, based on establishment of small entity status, of a portion of fees timely paid in full prior to establishing status as a small entity may only be obtained if an assertion under §1.27(c) and a request for a refund of the excess amount are filed within three months of the date of the timely payment of the full fee. The three-month time period is not extendable under §1.136. Status as a small entity is waived for any fee by the failure to establish the status prior to paying, at the time of paying, or within three months of the date of payment of, the full fee.

(b) *Date of payment.* (1) The three-month period for requesting a refund, pursuant to paragraph (a) of this section, starts on the date that a full fee has been paid;

(2) The date when a deficiency payment is paid in full determines the amount of deficiency that is due, pursuant to paragraph (c) of this section.

(c) *How errors in small entity status are excused.* If status as a small entity is established in good faith, and fees as a small entity are paid in good faith, in any application or patent, and it is

later discovered that such status as a small entity was established in error, or that through error the Office was not notified of a loss of entitlement to small entity status as required by §1.27(g)(2), the error will be excused upon: compliance with the separate submission and itemization requirements of paragraphs (c)(1) and (c)(2) of this section, and the deficiency payment requirement of paragraph (c)(2) of this section:

(1) *Separate submission required for each application or patent.* Any paper submitted under this paragraph must be limited to the deficiency payment (all fees paid in error), required by paragraph (c)(2) of this section, for one application or one patent. Where more than one application or patent is involved, separate submissions of deficiency payments (e.g., checks) and itemizations are required for each application or patent. *See* §1.4(b).

(2) *Payment of deficiency owed.* The deficiency owed, resulting from the previous erroneous payment of small entity fees, must be paid.

(i) *Calculation of the deficiency owed.* The deficiency owed for each previous fee erroneously paid as a small entity is the difference between the current fee amount (for other than a small entity) on the date the deficiency is paid in full and the amount of the previous erroneous (small entity) fee payment. The total deficiency payment owed is the sum of the individual deficiency owed amounts for each fee amount previously erroneously paid as a small entity. Where a fee paid in error as a small entity was subject to a fee decrease between the time the fee was paid in error and the time the deficiency is paid in full, the deficiency owed is equal to the amount (previously) paid in error;

(ii) *Itemization of the deficiency payment.* An itemization of the total deficiency payment is required. The itemization must include the following information:

(A) Each particular type of fee that was erroneously paid as a small entity, (e.g., basic statutory filing fee, two-month extension of time fee) along with the current fee amount for a non-small entity;