

claims, the examiner be required to render a new written opinion. The comment indicates that without such a provision, the IPEA/US, in adopting the written opinion as established by the ISA, will be delivering to applicants written opinions which are totally inconsistent with the claims as amended.

Response: The suggestion has been adopted in part. Under the enhanced search and examination system, the IPEA/US will not deliver to applicants a written opinion which does not take into account the claims as amended. In general, under the procedures established under the enhanced search and examination system, a written opinion will be established by the ISA, and upon filing of a Demand by applicant, that written opinion will be considered to be the first written opinion of the IPEA. In turn, any amendments under PCT Article 34 which are timely filed, either with or subsequent to the Demand, will be considered to be a response to that written opinion. In response to the Demand and any amendments, the IPEA/US will then issue one of the following: (1) A further written opinion under § 1.484(f) if such is warranted; or (2) an international preliminary examination report under § 1.484(g). In both instances, the response by the IPEA will fully take into consideration any amendments which have been timely filed by the applicant.

Comment 3: One comment also opposed the proposed changes in the PCT fees set forth in §§ 1.445 and 1.482. First, the comment indicated that the transmittal, search, and preliminary examination fees proposed in §§ 1.445 and 1.482 would be sixty percent higher than the filing fee, search fee, and examination fee proposed in the 21st Century Strategic Plan. Second, the comment indicated that an applicant must also pay the preliminary examination fee to obtain the "same benefits" under PCT Chapters I and II. The comment further indicated that a truer picture of the proposed fee change is revealed by comparing the existing and revised transmittal, search, and international preliminary examination fees on an item-by-item basis.

Response: The Office indicated that the \$300 transmittal fee amount in proposed § 1.445(a)(1) would be consistent with the filing fee for applications under 35 U.S.C. 111(a) proposed by the Office in the 21st Century Strategic Plan (\$300). The Office did not state that the sum of the transmittal, search, and international preliminary examination fees would be consistent with the sum of the filing fee,

search fee, and examination fees for applications under 35 U.S.C. 111(a) proposed by the Office in the 21st Century Strategic Plan. The Office proposed search and examination fee amounts for international applications that are in certain situations higher than the corresponding fees for applications under 35 U.S.C. 111(a) because: (1) There are additional costs associated with searching international applications and international preliminary examination under the enhanced international search and preliminary examination system (see *January 2004 Revision of Patent Cooperation Treaty Application Procedure*, 68 FR 32441, 32444 (May 30, 2003), 1271 *Off. Gaz. Pat. Office* 147, 149 (June 24, 2003) (proposed rule)); and (2) the examination fee for applications under 35 U.S.C. 111(a) proposed by the Office in the 21st Century Strategic Plan does not recover the Office's cost of examining applications and is subsidized by fees that are not applicable during the PCT international stage (see H.R. Rep. 108–241, at 15 (2003)).

The comment correctly notes that a PCT applicant must also pay the preliminary examination fee to amend the claims in an international application and obtain a written opinion reflecting the amended claims. Nevertheless, it is the Office's experience that PCT applicants who file a Demand for international preliminary examination rarely include an amendment under PCT Article 34 with the Demand. Therefore, the enhanced international search and preliminary examination system will reduce costs for most PCT applicants by providing them with the benefits they seek from PCT Chapter II, namely, an extension (from twenty to thirty months) of the time limit for entering the national stage and a written opinion indicating whether the claims are in compliance with PCT Article 33(2)–(4), without requiring them to file a timely Demand for international preliminary examination and pay the international preliminary examination fee.

When making an item-by-item comparison of the existing transmittal, search, and international preliminary examination fees with the revised transmittal, search, and international preliminary examination fees, one would readily appreciate the following: The enhanced international search and preliminary examination system reduces costs for most PCT applicants by providing them with the benefits they seek from PCT Chapter II without requiring them to pay the international preliminary examination fee. The

Office's costs for searching international applications are higher under the enhanced international search and preliminary examination system because international applications must be searched (and examined) under the PCT unity of invention standard and the search fee must also cover the preparation of a written opinion. The Office's costs for international preliminary examination will be higher in certain situations under the enhanced international search and preliminary examination system because the Office will be required to provide an international preliminary examination on the basis of one or more amendments under PCT Article 34 since applicants filing a Demand under the revised system will likely be doing so to obtain a positive "International Preliminary Report on Patentability (Chapter II of the Patent Cooperation Treaty)" and thus will file one or more amendments under PCT Article 34 in the international application (under the former system, the majority of Demands were filed for the sole purpose of extending the national stage entry period and thus were filed without any substantial amendments to the claims). Finally, the fees set forth in former §§ 1.445 and 1.482 for search and examination of additional inventions were far too low to recover the Office's actual average cost for search and examination of additional inventions.

Rule Making Considerations: *Regulatory Flexibility Act:* The USPTO published a proposed rule and certified that an initial Regulatory Act Analysis was not required. Only one comment was received which objected, in general, to the fee increases and made no reference to any impact of the fee increases on small entities. The Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that changes in this final rule will not have a significant economic impact on a substantial number of small entities (Regulatory Flexibility Act, 5 U.S.C. 605(b)).

The changes in this final rule primarily implement corresponding changes required to conform United States rules for international applications to the amendments to the PCT Regulations, which become effective on January 1, 2004. The amendments to the PCT Regulations will simplify the PCT application process and fee structure. The changes to the PCT international stage fees are to adjust these fees to be in alignment with the actual average costs of conducting a PCT search and international