

Please find below an overview of “Small Entity Status” as applicable in respect of USA Patent Applications. If the below is not applicable to your company/your client then you have to declare that you are a “Large Entity” and as such shall not be entitled to a 50% reduction in governmental fees.

Small Entity Status (Applicable to USA)

Small entity status in United States patent law allows small businesses, independent inventors, nonprofit organizations to file a patent application and maintain an issued patent for a reduced official fee (a 50% reduction).

Under 13 CFR 121.802(a), an entity qualifies as a "small business concern," and so qualifies for small entity status, if its number of employees, including affiliates, does not exceed **500** persons. If an organization or individual qualifies for small entity status, claiming such status is relatively simple. The person seeking such status needs to simply file a verified statement in the patent application prior to paying the first fee as a small entity. Any subsequent payments only need to include a statement where such status has changed.

Loss of Status

Small entity status is lost when the patent is licensed, exclusively or non-exclusively, or assigned to an organization that would not itself qualify for small entity status. Special care should be taken by an organization licensing technology to the government. Except for licenses under the Bayh-Dole Act, the government is not a small entity for these purposes and small entity status would be lost.

Please be advised that an organization that improperly claims small entity status may lose patent rights for inequitable conduct.

