Qualifications for Claiming Small or Micro Entity Status

The U.S. Patent & Trademark Office (USPTO) allows certain qualifying entities to receive discounts on various patent fees by identifying themselves as a "small entity" or a "micro entity." Below, we outline the requirements for claiming small or micro entity status. Please review the requirements carefully, because improperly claiming a discount may cause your patents to be unenforceable.

Your entitlement to small or micro entity status must be reviewed and reassessed upon (1) filing a new application, (2) paying the issue fee for a patent, and (3) paying each of the three patent maintenance fees. Therefore, please inform us immediately if you believe there may be a change to your entity status so that we can update the USPTO accordingly.

Because of the way the rules are written, you may qualify for a discounted fee with respect to some applications but not others.

Small Entity

A small entity receives a 50% reduction in most USPTO fees. An applicant generally qualifies for small entity status if the applicant is:

- an individual,
- a company having not more than 500 employees, or
- a non-profit organization (including a university).

However, these entities do not qualify as a small entity if the claimed invention has been assigned, granted, conveyed, or licensed to a large entity (i.e., an entity that does not qualify as a small entity), or is under obligation under contract or law to assign, grant, convey, or license, any rights in the invention to a large entity. It is for this reason that your entity status may vary from application to application, even if you would otherwise qualify for small entity status.

Micro Entity

A micro entity receives a 75% reduction in most USPTO fees. An applicant generally qualifies as a micro entity if the applicant and inventors each have gross annual incomes less than three times the median household income for the preceding year (currently $153,051). Higher education institutions may also qualify for micro entity status. If you believe you may qualify and would like to consider this option, please contact us and we will be happy to advise you further.

More Information

Please contact us to discuss any additional questions you might have about small or micro entity status. The USPTO also provides information about these topics at the following links:

www.uspto.gov/web/offices/pac/mpep/s509.html
http://www.uspto.gov/aia_implementation/fees.jsp
http://www.uspto.gov/patents/law/micro_entity.jsp

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