

sheet is true and correct and any copy submitted is a true copy of the original instrument; and (9) the signature of the party submitting the instrument.

Section 7.1(e), is added that each patent cover sheet required by paragraph (c) of this section seeking to record a governmental interest as provided by paragraph (a) of this section must: (1) indicate that the instrument is to be recorded on the governmental register, and, if applicable, that the instrument is to be recorded on the Secret Register. See § 7.7, and (2) indicate, if applicable, that the instrument to be recorded is not an instrument affecting title. See paragraph (j) of this section.

Section 7.1(f), is added to provide for the correction of errors in the cover sheet. Specifically, § 7.1(e), provides that an error in a cover sheet recorded pursuant to this Part will be corrected only if: (1) the error is apparent when the cover sheet is compared with the recorded instrument to which it pertains, and (2) a corrected cover sheet accompanied by the recording fee set forth in paragraph (i) of this section and either the original recorded instrument or a copy of the original recorded instrument is filed for recordation.

Section 7.1(g), is added to provide that the Office will accept and record non-English language instruments only if accompanied by a verified English translation signed by the individual making the translation.

Section 7.1(h), is added to provide that instruments and cover sheets to be recorded should be addressed to the Commissioner of Patents and Trademarks, Box Assignment, Washington, D.C. 20231.

Section 7.1(i) is added to provide that all requests, except as provided by paragraph (j) of this section, to record instruments must be accompanied by the recording fee set forth in § 1.21(h) of this chapter, and that the fee set forth in § 1.21(h) of this chapter is required for each application and patent against which the instrument is recorded as identified in the cover sheet.

Section 7.1(j), is added to provide that no fee is required for each patent application and patent against which an instrument required by Executive Order 9424 (3 CFR 1943-1948 Comp.) to be filed if: (1) the instrument does not affect title and is so identified in the cover sheet (see paragraph (e) of this section); and (2) the cover sheet is filed in a format approved by the Office.

#### Response to Comments on the Rules

A notice of proposed rulemaking to adjust certain patent and trademark fee amounts and to amend the requirements

for recording an assignment to apply to documents forwarded for recording on the Government Register was published in the **Federal Register** on May 26, 1995, at 60 FR 27934, and in the *Official Gazette of the United States Patent and Trademark Office* on May 30, 1995, at 1174 OG 134.

A public hearing was held June 29, 1995. Nine comments were received and considered in adopting the rules set forth herein. No oral testimony was presented.

*Comment:* Two respondents stated that the proposed inflationary increase of patent and trademark fees is unnecessary because the PTO is already operating at a surplus.

*Response:* Current PTO resources include carryover funds from fiscal year 1994. These carryover funds are partly unobligated balances to be carried forward, but primarily advanced fee payments for work to be done in fiscal year 1995. Furthermore, this carryover includes fee income generated from trademark-related products and services which, according to 35 U.S.C. 42(c), may be used only for trademark-related activities. Therefore, to recover all costs associated with the processing of patent applications, and to remain consistent with the current rate of inflation, the PTO is increasing certain patent fees by 3.2 percent as authorized by 35 U.S.C. 41(f).

In addition, two trademark service fees were proposed to be increased. The adopted fee amounts will recover the average cost of providing the service as authorized by 35 U.S.C. 41(d), and will also remain consistent with the equivalent patent service fee amounts.

*Comments:* Seven respondents objected to the proposal to amend the requirements for recording an assignment to apply to documents forwarded for recording on the Government Register. The respondents stated that not only are Government agencies required by Executive Order 9424 to forward an assignment to the PTO for recordation, but also the PTO lacks the authority under Title 35 of the United States Code to impose a fee for recording an assignment on the Government Register.

*Response:* 35 U.S.C. 41(d)(1) provides that the Commissioner shall charge a fee of \$40 per property for recording any document affecting title. An assignment is a document affecting title. Therefore, the Office must require a \$40 recording fee for recording any assignment, even those being recorded on the Government Register. If a document to be recorded on the Government Register does not affect title and if it is accompanied by

the appropriate cover sheet, then no fee is required.

#### Other Considerations

This final rule change is in conformity with the requirements of Executive Order 12612, and the Paperwork Reduction Act of 1980, 44 U.S.C. 3501, et seq. This rulemaking contains no information collection within the meaning of the Paperwork Reduction Act. This final rule has been determined not to be significant for purposes of Executive Order 12866.

The PTO has determined that this final rule change has no Federalism implications affecting the relationship between the National Government and the States as outlined in Executive Order 12612.

The Assistant General Counsel for Legislation and Regulation of the Department of Commerce has certified to the Chief Counsel for Advocacy, Small Business Administration, that the final rule change would not have a significant impact on a substantial number of small entities (Regulatory Flexibility Act, Pub. L. 96-354). The final rule change increases fees to reflect the change in the CPI as authorized by 35 U.S.C. 42(f). Further, the principal impact of the major patent fees has already been taken into account in 35 U.S.C. 41(h), which provides small entities with a 50-percent reduction in the major patent fees.

A comparison of existing and new fee amounts is included as an Appendix to this notice of final rulemaking.

#### Lists of Subjects

##### 37 CFR Part 1

Administrative practice and procedure, Inventions and patents, Reporting and record keeping requirements, Small businesses.

##### 37 CFR Part 2

Administrative practice and procedure, Courts, Lawyers, Trademarks.

##### 37 CFR Part 7

Administrative practice and procedure, Inventions, and patents, Reporting and record keeping requirements.

For the reasons set forth in the preamble, the PTO is amending title 37 of the Code of Federal Regulations, Chapter 1, Part 1, as set forth below.

#### PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for 37 CFR Part 1 would continue to read as follows: