Taxing Patents – Axing Innovation

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Categories:

USPTO

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In July 2025, *The Wall Street Journal* reported that it had received information i
U.S. patents. This is an unexpected and novel idea that has never been undertal
their opinion that this proposal would be detrimental to the innovation seen in t

As some background to this proposal, U.S. patent owners currently are obligate
patents active. On an annual basis, the United States Patent and Trademark Off
well as other fees collected by the USPTO for filing a patent application, prosec
fees associated with patent office procedures include Post-Grant Reviews (PG
accumulate many dollars for the use of its role in furthering innovation through
being one of the government's self-funded agencies. In fact, one of the argume
would then be funded well above what is needed for the USPTO to be self-fund
would be used to bring down the deficit or that the excess money would be tra

In any event, however, individuals in the government are reviewing a provision t
patent. The proposed tax would be based on a valuation of the patent's worth, v
patent's value. This seems to raise some practical and policy concerns from op
the value of a patent, as that value is oftentimes not realized until well into the t
prosecution delays or regulatory delays). Additionally, a patent's value is most c
Anything else is speculative in nature. Furthermore, opponents of this tax on U.S
having it be a bureaucratic regulation.

Additionally, those opposed to this patent tax raise the possibility that taxing p
thereby actually negatively affecting the revenue collected by the USPTO. Also,
competitors with the U.S. for business might most benefit from a patent tax in

Another argument presented by those opposed to this proposed patent tax is t
companies without high resources, thereby diverting much needed funding for
that this tax on patents might keep companies from disclosing their inventions
companies (and inventors) might depend on trade secrets, which might further

This is merely a proposal at this point in time and under review by the Commer
motion yet. However, industry leaders in all technical fields are monitoring any c