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650 PAGE MILL ROAD
PALO ALTO CA 94304-1050

Paper No. 15

MAILED

APR 29 2009

In re Patent No. 5,797,852 :
Issue Date: August 25, 1998 :
Application No. 08/472,441 : **DECISION ON PETITION OFFICE OF PETITIONS**
Filed: June 7, 1995 :
Inventor: Karakasoglu et al. :

This is a decision on the Request for Reconsideration, filed October 22, 2007, of a petition under 37 CFR § 1.377 to review the USPTO refusal to accept and record a timely proffered first maintenance fee payment. This is also a decision on the petition under 37 CFR § 1.378(c), filed July 19, 2007, to accept an unintentionally delayed payment of a second maintenance fee in an expired patent, which is being treated as a petition under 37 CFR § 1.378(c) to accept an unintentionally delayed payment of a first maintenance fee in an expired patent.

The petitions under 37 CFR §§ 1.377 and 1.378(c) are **DENIED¹**.

BACKGROUND

Patent No. 5,797,852 issued August 25, 1998. The first (3½ year) maintenance fee was due February 25, 2002, and could have been paid from August 25, 2001 through February 25, 2002, or with a surcharge during the period from February 26, 2002 through August 25, 2002.

On February 21, 2002, a maintenance fee payment was submitted and petitioner asserts that this payment was intended for the present patent, 5,797,852. However, this payment transmittal identified U.S Patent No. 5,797,832 ('832 patent) as the patent for which the fees were intended. A return receipt postcard identifying the '832 patent was mailed by the USPTO to the address provided on the postcard acknowledging receipt of the maintenance fee. Since the maintenance fee was already paid on February 7, 2002 for the '832 patent, the USPTO did not accept the fee submitted on February 21, 2002 with the associated transmittal letter identifying the '832 patent. Although the transmittal letter did not correctly identify the number of the present patent, the issue date of the present patent, or the filing date of the application associated with the present patent; the transmittal letter did correctly identify the application number, inventors, and title associated with the present patent.

A Maintenance Fee Reminder was mailed on March 12, 2002 indicating that the maintenance fee for the present patent was due. This courtesy reminder was received by the then attorney for the present patent.

On October 22, 2002, the present patent was listed under the "Notice of Expiration of Patents Due to Failure to Pay Maintenance Fee" (Notice) in the USPTO Official Gazette as having expired on August 25, 2002 for failure to pay the maintenance fee. This Notice was published in print as well as electronically on the USPTO website.

On July 19, 2007, petitions were filed to Accept and Record Payment of Maintenance Fee under 37 CFR § 1.377 and Accept Unintentionally Delayed Payment of a second Maintenance fee in an Expired Patent under 37 CFR § 1.378(c). The first petition requested acceptance of the maintenance fee submitted February 21, 2002 as payment of first (3½ year) maintenance fee for the present patent. The second petition offered the delayed payment of the second (7½ year) maintenance fee for the present patent.

On August 23, 2007, the petition under § 1.377 was dismissed and a decision on the petition under § 1.378(c) was held in abeyance pending the resolution of the petition under § 1.377. The petition under § 1.377 was dismissed since the petition was filed more than five years after the refusal of the maintenance fee, rather than the two month period for filing the petition permitted by the regulation, and the delay was not explained.

The Request for Reconsideration has been considered and the Petition under § 1.377 of July 19, 2007 has been reconsidered.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

35 U.S.C. § (2)(B)(2) provides, in part, that:

The Office-- may, establish regulations, not inconsistent with law, which

(A) shall govern for the conduct of proceedings in Office.

35 U.S.C. § 41(b) provides, in part, that:

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period.

35 U.S.C. § 41(c)(1) provides that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the

Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR § 1.183 provides that:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR § 1.366(c) provides that:

In submitting maintenance fees and any necessary surcharges, identification of the patents for which maintenance fees are being paid must include the patent number, and the application number of the United States application for the patent on which the maintenance fee is being paid. If the payment includes identification of only the patent number (i.e., does not identify the application number of the United States application for the patent on which the maintenance fee is being paid), the Office may apply the payment to the patent identified by patent number in the payment or may return the payment.

37 CFR § 1.377 (a) and (b) provide that:

- (a) Any patentee who is dissatisfied with the refusal of the Patent and Trademark Office to accept and record a maintenance fee which was filed prior to the expiration of the patent may petition the Director to accept and record the maintenance fee.
- (b) Any petition under this section must be filed within two months of the action complained of, or within such other time as may be set in the action complained of, and must be accompanied by the fee set forth in § 1.17(g). The petition may include a request that the petition fee be refunded if the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

37 CFR § 1.378(c) provides that:

- (c) Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in § 1.362(e) and must include:
 - (1) The required maintenance fee set forth in § 1.20 (e) through (g);
 - (2) The surcharge set forth in § 1.20(i)(2); and
 - (3) A statement that the delay in payment of the maintenance fee was unintentional.

MPEP § 2530 provides, in part, that:

When a patent number and an application number are both supplied, but they do not correspond to the same patent, the Office will generally apply the payment to the patent identified by the patent number, if possible. Even if the payment is sufficient and timely to pay the maintenance fee due in the patent identified by the patent number, the Office may return the payment if additional information on the payment submission is inconsistent with the patent identified by the patent number. The Office may even apply the payment to the patent identified by the application number if the additional information corroborates that patent. Such may be the case, for example, where the fee submitter is the addressee named in the correspondence address or fee address of the patent identified by the application number.

MPEP § 2532 provides, in part, that:

In the event a maintenance fee is submitted (hereafter, duplicate payment) in the required amount (including any necessary surcharge) within the payment window for the patent identified for payment, but the same maintenance fee for that patent was already paid by a previous fee submitter (hereafter, first fee submitter), the Office intends to treat the duplicate from the second fee submitter as follows:

(A) If the duplicate payment does not comply with 37 CFR § 1.366(c) by not containing both the patent number and the corroborating application number, the Office will return the duplicate payment to the second fee submitter with an indication that the maintenance fee for the patent was already paid.

MPEP § 2575 provides, in part, that:

Under the statutes and the regulations, the Office has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to ensure that the maintenance fees are paid to prevent expiration of the patent. The Office will, however, provide some notices as reminders that maintenance fees are due and that a patent has expired, but the notices, errors in the notices or in their delivery, or the lack or tardiness of notices will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Office are courtesies in nature and intended to aid patentees. The Office's provision of notices in no way shifts the burden of monitoring the time for paying maintenance fees on patents from the patentee to the Office.

I. PREPRINTED STANDARD NOTICES

The patent grant currently includes a reminder notice that maintenance fees may be due. The Notice of Allowance currently includes a reminder notice that maintenance fees may be due.

II. OFFICIAL GAZETTE NOTICE

A notice will appear in each issue of the Official Gazette which will indicate which patents have been granted 3, 7, and 11 years earlier, that the window period has opened, and that maintenance fee payments will now be accepted for those patents.

Another Official Gazette notice published after expiration of the grace period will indicate any patent which has expired due to nonpayment of maintenance fees and any

patents which have been reinstated. An annual compilation of such expirations and reinstatements will also be published.

III. MAINTENANCE FEE REMINDERS

Since patentees are expected to maintain their own record and docketing systems and since it is expected that most patentees will pay their maintenance fees during the window period to avoid payment of a surcharge, the Office will not send any reminder notices to the patentee until after the grace period has begun. The Office will mail any Maintenance Fee Reminder to the fee address as set forth in 37 CFR 1.363.

IV. RECEIPT NOTICES

The Office will issue a receipt for payment of maintenance fees submitted by mail or facsimile after entry of the maintenance fee payment. Such a receipt, which is sent to the fee address (if no fee address, then the correspondence address), will provide an opportunity for the patentee or fee submitter to check if the Office has properly credited the payment.

V. EXPIRATION NOTICES

The Office will mail a Notice of Patent Expiration to the fee address as set forth in 37 CFR § 1.363 when Office records indicate that a patent has expired for failure to pay a required maintenance fee.

MPEP § 2580 provides, in part, that:

37 CFR § 1.377 provides a mechanism for review of a decision refusing to accept and record payment of a maintenance fee filed prior to the expiration of a patent. 37 CFR § 1.377(a) permits a patentee who is dissatisfied with the refusal of the Office to accept and record a maintenance fee which was filed prior to the expiration of the patent to petition the Director to accept and record the maintenance fee. This petition may be used, for example, in situations where an error is present in the identifying data required by 37 CFR § 1.366(c) with the maintenance fee payment, i.e., either the patent number or the application number is incorrect.

OPINION

Petitioner requests reconsideration of the previous adverse decision on the petition filed under 37 CFR § 1.377 but has not established that the petition under 37 C.F.R. § 1.377 was timely filed as required by 37 CFR § 1.377(b).

37 CFR § 1.377(b) requires the filing of the July 19, 2007 petition under that regulation "within two months of the action complained of," or within a time "set in the action complained of." Here, the action for which there is a complaint is the USPTO's refusal to accept the maintenance fee payment for U.S. Patent No. 5,797,852, which was submitted on February 21, 2002 with a transmittal letter having identifying information that partially indicated that the payment was for U.S Patent No. 5,797,832. The record does not show that a time was set in the action within which a petition may be filed for review of the action. Consequently, the petition under § 1.377 must have been filed within two months of the refusal, as required by the regulation. However, the petition in this instance was not filed until approximately five years after the refusal and

subsequent expiration of the patent. This delay exceeds the two month period in which the petition may be filed.

Petitioner contends that Applicants were not clearly on notice that an error existed on the transmittal of the maintenance fee and that the patent was expired, which allegedly would explain the delay in filing the petition. However, under the statutes and the regulations, the patentee has the responsibility to ensure that the maintenance fees are paid to prevent expiration of the patent and the notices provided by the Office are courtesies in nature and intended to aid patentees. See MPEP § 2575. Moreover, the Maintenance Fee Reminder mailed March 12, 2002, after the flawed submission of the maintenance fees, and the Notice in the USPTO Official Gazette of October 22, 2002 provided sufficient notice that an error existed on the transmittal of the maintenance fee and that the patent was expired.

The Official Gazette provides a formal notification system that gives constructive notice of numerous events, including the expiration of a patent. The U.S. Court of Appeals for the Federal Circuit has recognized the reliability of this notification system and the value of its use. See In re Mark Industries, 224 USPQ 521, 524 (CAFC 1984). Through this notification system, the public was informed that U.S. Patent No. 5,797,852 had expired and was available in the public domain. Petitioner indicates that the then attorney of record did not see the printed notice in the Official Gazette and that this failure to see the notice was not unreasonable. However, the alleged failure to see the notice is immaterial. The fact remains that constructive notice was given and the responsibility to ensure that the maintenance fee was paid remained with the patent owner. Moreover, the failure to see this notice was unreasonable. The Maintenance Fee Reminder indicated that the fee was not paid after the fee had already been submitted, which would reasonably prompt vigilance regarding the status of the patent including the review of official notifications like that provided by the Official Gazette. Also, only a limited number of patents were listed as expired in the October 22, 2002 publication of the Official Gazette. Comparing the patent number of the patent identified in the Maintenance Fee Reminder to the patent numbers listed in the Official Gazette would not have placed an undue burden on the attorneys of record. Rather than demonstrate such vigilance, the Maintenance Fee Reminder, which was received after the fee was submitted, was ignored under the mistaken belief that the fee had already been properly paid.

Furthermore, petitioner asserts a lack of knowledge regarding other possible forms of notice indicating that the payment was refused and the patent expired. A credit would have appeared on the deposit account designated by the attorneys of record as a refund for the refused maintenance fee. A letter of non-acceptance of the maintenance fee would have been mailed directly to the payee. Also, a Notice of Patent Expiry for U.S. Patent No. 5,797,852 would have been mailed to the address of record for this patent. Evidence of these notices is not present in the record for this patent but they are produced by the USPTO as a matter of routine procedure when a maintenance fee is refused and a patent expires. Petitioner states that the relevant Deposit Account records were not available and that the letter of non-acceptance and Notice of Patent Expiry are not in Applicant's patent files. Also, suppositions are offered as to how these items allegedly might have been addressed if they were received. The record does not show that these notices were not received. The statements of record regarding notice do not explain the

delay in filing the petition under 37 CFR § 1.377 after the two month period permitted by the regulation.

The USPTO processes numerous papers every business day. As a result, there is great importance in submitting papers with accurate identifying information. When, as here, papers do not include accurate identifying information, the papers may not be processed as desired by the filer and corrective action may be necessary. In the case of maintenance fee payments, undesired processing of a fee payment resulting from inaccurate identifying information requires a more careful review of the payment than is provided upon initial payment. This review occurs as a result of a petition filed under 37 CFR § 1.377. See MPEP § 2580.

In this instance, the maintenance fee payment submitted February 21, 2002 did not include among the identifying information the correct patent number, the issue date of the patent, or the filing date of the application associated with the patent. The payment did not comply with 37 CFR § 1.366(c) in that it did not contain both the patent number and the *corroborating* application number. In accordance with USPTO procedure, an attempt to apply this fee payment to the patent number would have been made and the money would have been returned to the payee since the fee had already been paid for that patent (5,797,832). See MPEP §§ 2530 and 2532. While such a return may be reviewed and rectified through a petition under 37 CFR § 1.377, the petition must be filed within two months of the return. Here, petitioner delayed approximately five years after the refusal and subsequent expiration of the patent in filing a petition under 37 CFR § 1.377, which exceeds the two month period in which the petition may be filed. The petition under 37 CFR § 1.377 was filed more than two months after the refusal to accept the maintenance fee payment for U.S. Patent No. 5,797,852. Moreover, the record does not establish that an extraordinary situation caused the delay such that the two month period should be waived under 37 CFR § 1.183. Accordingly, the petition under 37 CFR § 1.377 is denied.

In regard to the unintentionally delayed payment of the maintenance fee, this payment cannot be accepted due to the expiration of the statutory period for claiming that the delay in payment was unintentional. 35 USC § 41(c)(1) requires the showing that the delay in payment unintentional be made within twenty-four months after the six-month grace period. The July 19, 2007 petition asserting that the delay was unintentional was made within twenty-four months after the date of six-month grace period for payment of the second maintenance fee. However, the patent expired for non-payment of the first maintenance fee, and non-payment of the first maintenance fee must be rectified before payment of the second maintenance fee is considered. The attempt to pay the second maintenance fee was not only after the second maintenance fee would have been due but also five years after the first maintenance fee was due. Since the petition under 37 CFR § 1.378(c) was filed more than twenty-four months after the six-month grace period for paying the first maintenance fee, the statement that the delay was unintentional cannot be accepted.

DECISION

Petitioner has failed to establish that the petition under 37 CFR § 1.377 was filed more than two months after the refusal to accept the maintenance fee payment was properly submitted or that

the unintentionally delayed payment of this fee was timely proffered. Accordingly, this patent remains expired. The petitions are **denied**.

This patent file is being returned to the Files Repository.

Any inquiries concerning this communication may be directed to Christopher Bottorff at (571) 272-6692.

A handwritten signature in cursive script, appearing to read "Charles Pearson", written in black ink.

Charles Pearson
Director, Office of Petitions
cb/db

¹ This decision may be considered a final agency action within the meaning of 5 USC § 704 for purposes of obtaining judicial review. See MPEP § 1002.02.