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OFFICE OF PETITIONS

In re Patent No.: 7,061,177 :
Issue Date: June 13, 2006 :
Application No. 10/424,135 : DECISION ON PETITION
Filed: April 28, 2003 :
Inventor: Kang et al. :

This is a decision on the petition originally filed April 17, 2006, and refiled by facsimile transmission August 23, 2006, which is being treated as a petition under 37 CFR 1.181 requesting review of the adverse decision of February 16, 2006, which refused to refund the fees for the 3 month extension of time and Notice of Appeal, both filed January 16, 2006.

The petition is denied.

Petitioners again request a refund of the aforementioned fees on the grounds that these fees were paid by mistake. Petitioners note that the amendment after the final rejection of July 13, 2005, was filed in the third month on October 13, 2005, and while MPEP 714.13 indicates that the examiner should have indicated his treatment thereof within 10 calendar days, the examiner's Notice of Allowance was not mailed until January 27, 2006. As the examiner's delay, according to petitioners, caused the applicant to pay the contested fees by mistake, these fees should be refunded.

As explained in MPEP 607.02:

Under 35 U.S.C. 42(d) and 37 CFR 1.26, the Office may refund: (1) a fee paid by mistake (e.g., fee paid when no fee is required); or (2) any fee paid in excess of the amount of fee that is required. See *Ex parte Grady*, 59 USPQ 276, 277 (Comm'r Pat. 1943) (the statutory authorization for the refund of fees under the "by mistake" clause is applicable only to a mistake relating to the fee payment).

When an applicant or patentee takes an action "by mistake" (e.g., files an application or maintains a patent in force "by mistake"), the submission of fees required to take that action (e.g., a filing fee submitted with such application or a maintenance fee submitted for such patent) is not a "fee paid by mistake" within the meaning of 35 U.S.C. 42(d).

37 CFR 1.26(a) also provides that a change of purpose after the payment of a fee, as when a party desires to withdraw the filing of a patent application for which the fee was paid, will not entitle the party to a refund of such fee.

Unfortunately for petitioners, the extension of time and Notice of Appeal fees paid herein were owed at the time they were paid, and, as such, were not fees paid by mistake. That is, these fees which petitioners

wish to have refunded were required by 35 U.S.C. § 41 which employs the language of command in that "the Director shall charge the following fees." The payment of the statutory fees is obligatory upon applicants and collection of the statutory fee is likewise obligatory upon the Office. Boyden v. Commissioner of Patents, 441 F.2d 1041, 1043, 168 USPQ 680, 681 (D.C. Cir.), cert denied 404 US 842, 868, 171 USPQ 312 (1971); see also Giuliani v. United States, 8 USPQ2d 1095 (D. Hi 1988), aff'd mem., 878 F.2d 1444 (Fed. Cir. 1989). The USPTO had no discretion to proceed with the processing of the amendment after final Office action in the absence of such payment. Boyden, supra. Petitioners obtained the results for which they admittedly paid the fees: the pendency of this application was maintained. To now request a refund of those rightfully paid fees is a change in purpose after the fact, which precludes a refund. See 37 CFR 1.26(a); Grady, supra.

The patent statute and the rules of practice before the USPTO do not permit an applicant to request and pay for a conditional extension of time fee, or a conditional Notice of Appeal fee, and depending on subsequent events, obtain a refund of the fee(s). See Meissner v. U.S., 108 USPQ 6 (D.C. Cir. 1955)(appeal fee paid on same day that examiner allows the application is not a fee paid by mistake within the meaning of 35 U.S.C. § 42(d) warranting a refund). Rather, entry of an amendment after a final Office action is discretionary on the part of the examiner, and petitioner assumed the risk that the amendment would not be entered, or even if entered, would not prima facie place the application in condition for allowance. See 37 CFR 1.116(c) ("[t]he admission of, or refusal to admit, any amendment after a final rejection, a final action, an action closing prosecution, or any related proceedings will not operate to relieve the application or reexamination proceeding from its condition as subject to appeal or to save the application from abandonment under § 1.135..."); see also 37 CFR 1.135(b)("[t]he admission of, or refusal to admit, any amendment after final rejection or any amendment not responsive to the last action, or any related proceedings, will not operate to save the application from abandonment.") In other words, as petitioners were under the obligation to maintain the pendency of this application while awaiting the treatment of the amendment proffered under 37 CFR 1.116, the fees were properly submitted by petitioners and accepted by the USPTO. Indeed, had the contested fees not been paid, this application would have become abandoned for failure to prosecute as indicated in MPEP 711.03(c), subsection II(C)(2):

For example, as 37 CFR 1.116 and 1.135(b) are manifest that proceedings concerning an amendment after final rejection will not operate to avoid abandonment of the application in the absence of a timely and proper appeal, a delay is not "unavoidable" when the applicant simply permits the maximum extendable statutory period for reply to a final Office action to expire while awaiting a notice of allowance or other action

Clearly, the Notice of Appeal and its fee, was the proper reply, and such was rendered timely by the accompanying 3 month extension of time and fee. This does not warrant either a finding of mistake relating to the payment, or a refund of the fees. See In re Hartman, 145 USPQ 402 (Comm'r Pat. 1965). The belated treatment of the amendment submitted under 37 CFR 1.116 did not have the retroactive effect of converting the fee payments, proper when made, into payments made by mistake. Meissner, supra; see also Opinion of the Comptroller General of the United States, 113 USPQ 28, 29 (Comp. Gen. 1957). Moreover, petitioners could have avoided the extension of time fees if they had replied within 2 months of the final Office action as explained in MPEP 714.13 which indicates the period for reply to a final Office action for purposes of determining the amount of any extension fee is the date on which the

Office mails the advisory action advising applicant of the status of the application. Since no advisory action, or Notice of Allowance or Allowability, was mailed within 6 months of the final Office action, petitioner would have obtained the full statutory six months without payment of the extension of time fee, and would have then owed only the fee for the Notice of Appeal. See MPEP 714.13, subsection I. Since petitioners did not reply within 2 months of the final Office action and thus avail themselves of this favorable provision of the practices and procedures before the USPTO and instead waited 3 months to reply, they are not in a strong position to seek a refund of the extensions of time fees that their course of action—or inaction—incurred.

For the reasons given above, the requested refund will not be forthcoming, as petitioners have not shown, and the record does not show, that the fees were paid either in error or in excess. It follows that no refund is due. Accordingly, the petition is granted to the extent the communication of February 16, 2006, has been reviewed, but is **denied** as to making any changes therein.

The request for refund of the extension of time and Notice of Appeal fees is **denied**.

This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02. The USPTO will not further consider or reconsider this matter.

Any inquiries concerning this decision may be directed to Petitions Examiner Brian Hearn at (571) 272-3217.



Charles Pearson
Director, Office of Petitions