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Paper No. 21

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In re Patent No. 5,256,934 :
Issue Date: October 26, 1993 :
Application No. 07/883,819 : DECISION DENYING PETITION
Filed: May 13, 1992 :
Attorney Docket No. PHN-13.238A:

This is a decision on the petition filed June 18, 2007, requesting review of the decision not to refund the third maintenance fee for the above-identified patent.

The petition is DENIED.[1]

BACKGROUND

The above-identified patent (U.S. Patent No. 5,256,934) issued on October 26, 1993. Therefore, the third maintenance fee became payable on October 26, 2004, and was due on April 26, 2005. Inspection of USPTO financial records reveals that the $3,800 payment was received March 28, 2005, and was processed March 31, 2005.

Petitioner (PHILLIPS ELECTRONICS) asserts that the payment was made by an actual mistake.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

35 U.S.C. § 6(a) provides, in part, that:

[1] This decision may be viewed as a final agency action within the meaning of 5 USC § 704. See MPEP 1002.02.

> The Director...may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the U.S. Patent and Trademark Office.

35 U.S.C. § 41(b) states in pertinent part:

> The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:
>
> (1) 3 years and 6 months after grant, $900.
> (2) 7 years and 6 months after grant, $2300.
> (3) 11 years and 6 months after grant, $3800.
>
> 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. The Director may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee. No fee may be established for maintaining a design or plant patent in force.

35 U.S.C. § 42(d) provides that:

> The Director may refund any fee paid by mistake or any amount paid in excess of that required.

37 CFR 1.26(a) states in pertinent part that:

> The Director may refund any fee paid by mistake or in excess of that required. A change of purpose after the payment of a fee, such as when a party desires to withdraw a patent filing for which the fee was paid, including an application, an appeal, or a request for an oral hearing, will not entitle a party to a refund of such fee. The Office will not refund amounts of twenty-five dollars or less unless a refund is specifically requested, and will not notify the payor of such amounts. If a party paying a fee or requesting a refund does not provide the banking information necessary for making refunds by electronic funds transfer (31 U.S.C. 3332 and 31 CFR part 208), or instruct the Office that refunds are to be credited to a

deposit account, the Director may require such information, or use the banking information on the payment instrument to make a refund. Any refund of a fee paid by credit card will be by a credit to the credit card account to which the fee was charged.

37 CFR 1.362 states in pertinent part that:

(d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:
(1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
(2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
(3) 11 years through 11 years and 6 months after grant for the third maintenance fee.

(e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:
(1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
(2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and
(3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.

OPINION

The applicable statute, 35 U.S.C. § 42(d), authorizes the Director to refund "any fee paid by mistake or any amount paid in excess of that required." Thus the U.S. Patent and Trademark Office (USPTO) may refund: (1) a fee paid when no fee is required (*i.e.*, a fee paid by mistake), or (2) any fee paid in excess of the amount of the fee that is required. See Ex Parte Grady, 59 USPQ 276, 277 (Comm'r Pats. 1943)(the statutory authorization for the refund of fees is applicable only to a mistake relating to the fee payment). In the situation in which an applicant or patentee takes an action "by mistake" (e.g., files an application "by mistake"), the submission of fees required to take that action (e.g., a filing fee submitted with such application) is not a "fee paid by mistake" within the meaning of 35 U.S.C. § 42(d).

35 U.S.C. § 41(b) requires that the Director charge a fee of $3,800 to maintain the above-identified patent in force after twelve years from its date of grant. 37 CFR 1.362(d)(3) provides that this $3,800 maintenance fee was payable on or after October 12, 2004 and was due (without a surcharge) on April 26, 2005.

Thus, the $3,800 maintenance fee paid on March 28, 2005 was not a fee paid when no fee was required, and was not a fee paid in an amount in excess of that required. That petitioner considers it to have been a "mistake" for action to have been taken to have maintained the above-identified patent in force does not cause the maintenance fee submitted on March 28, 2005 to be a "fee paid by mistake" within the meaning of 35 U.S.C. § 42(d). Moreover, the applicable regulation, 37 CFR 1.26, requires that the money had to be paid by actual mistake, for a refund to be authorized. The mistake, however, must clearly be in relation to the payment itself in order to be refundable. Grady, supra. Rather, the amount paid herein was owed at the time it was paid, and it was paid by the representative of the applicant. Such is not a mistake within the meaning of the aforementioned statute and regulation, that warrants a refund.

In this regard, contrary to petitioner's assertion, there was no mistake relating to the payment itself. Petitioner is reminded that the use of "shall" appears in 35 U.S.C. § 41(b) pertaining to collection of fees upon the filing of an application with the USPTO. It is well settled that the use of "shall" in a statute is the language of command, and where the directions of a statute are mandatory, then strict compliance with the statutory terms is essential. Farrel Corp. v. U.S. Int'l Trade Comm'n, 942 F.2d 1147, 20 USPQ2d 1912 (Fed. Cir. 1991). That is, it is mandatory that the Director charge, and the applicant pay, the fees specified by statute upon presentation of a request for a service by the USPTO. See BEC Pressure Controls Corp. v. Dwyer Instruments, Inc., 380 F.Supp. 1397, 1399, 182 USPQ 190, 192 (N.D. Ind. 1974). As such, the third maintenance fee was due when such was submitted to the USPTO on March 28, 2005, and was paid in the correct amount. Id. The language of the statute does not permit the Director any discretion with respect to charging the fees set forth therein. Id.

That petitioner may have erred in presenting the maintenance fee to the USPTO does not warrant a finding that the payment was made "by mistake." Rather, the fee was owed at the time it was paid. As noted in 37 CFR 1.26(a), petitioner's change of purpose does not constitute a "mistake" in payment warranting refund of the fees previously paid. The payment of the fee automatically was due, by statute, when petitioner presented, rightly, or wrongly, the aforementioned submission to the USPTO for maintenance of this patent in force. Thus, it is immaterial to the question of "mistake" in payment of the instant maintenance fee, that petitioner may have erred in submitting the fee to the USPTO to maintain this patent in force. While patentee may not have authorized, and may have been unaware of, his duly appointed

counsel's submission of the maintenance fee, the U.S. Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and patentee is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). It is further noted that the U.S. Patent and Trademark Office is not the forum for resolving a dispute between a patentee and his duly appointed and freely selected representative. See Ray v. Lehman, 55 F.3d 606, 610, 34 USPQ2d 1786, 1789 (Fed. Cir. 1989).

Petitioner requested that the twelve year maintenance fee be accepted, so that this patent would be maintained in force thereafter. While petitioner now contends that the papers and fee for accomplishing this result were presented to the USPTO in error, petitioner's error of presentation did not relieve petitioner from his statutory mandate to pay to the USPTO, upon presentation, the fees required for the USPTO to maintain this patent in force. Similarly, petitioner's error in presenting those papers and fee on March 28, 2005 does not relieve the USPTO from its statutory mandate to collect the fees due to the USPTO for maintaining the patent in force. Rather, as the patent will be maintained in force from its twelfth anniversary on October 26, 2005, until it ultimately expires, petitioner received precisely what petitioner requested, and paid for. As such, there clearly was no error in relation to the payment of fees to the USPTO. As noted above, the maintenance fee was owed, by law, at the time it was paid, and it was paid by a representative of the patentee. Such does not warrant either a finding of mistake relating to the payment, or warrant a refund of the fee. See In re Hartman, 145 USPQ 402 (Comm'r Pat. 1965). The fact that the fee was necessary at the time it was paid warrants a conclusion that no error in payment was involved. See Meissner v. U.S., 108 USPQ 6 (D.C. Cir. 1955). Such is not a mistake as contemplated by the statute. Id.

DECISION

In that petitioner has failed to establish the existence of a mistake in payment of the maintenance fee within the meaning of the statute and regulation, no refund of the entire, or any fractional part thereof, is, or can be, authorized. Accordingly the petition is denied.

This patent file is being returned to the Files Repository.

Telephone inquiries relevant to this decision should be directed to Sherry D. Brinkley at (571) 272-3204.

Charles A. Pearson
Director
Office of Petitions