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Paper No. 12

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In re Patent No. 4,982,383	:	
Issue Date: January 1, 1991	:	
Application No. 07/251,276	:	DECISION DENYING PETITION
Filed: September 30, 1988	:	
Docket No. 78,939	:	

This is a decision on the petition filed May 26, 1998, requesting a refund of the second (eight year) maintenance fee for the above-identified patent.

The petition is DENIED.

BACKGROUND

The above-identified patent (U.S. Patent No. 4,982,383) issued on January 1, 1991. The first maintenance fee was timely paid. Therefore, the second maintenance fee became payable on January 2, 1997, and was due on July 1, 1998. The Maintenance fee was submitted April 29, 1998, and, as requested in the accompanying submission, the $2100 fee owed was charged against deposit account No. 20-0625 in due course on May 5, 1998.

Petitioner requests that the PTO "refund this amount as we wish to allow this patent to go abandoned."

STATUTE, REGULATION, AND EXAMINING PROCEDURE[1]

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

> The Commissioner...may, subject to the approval of the

[1] Manual of Patent Examining Procedure (MPEP), Rev. 3, July 1997.

Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office.

35 USC § 41(b) states in pertinent part:

> The Commissioner 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, $650[$1050][2].
>
> (2) 7 years and 6 months after grant, $1,310[$2100].
>
> (3) 11 years and 6 months after grant, $1,980[$3160].
>
> Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. The Commissioner may require the payment of a surcharge as a condition of accepting within such six-month grace period the late payment of an applicable maintenance fee. No fee will be established for maintaining a design or plant patent in force.

35 USC § 42(d) provides that:

> The Commissioner 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:

> Any fee paid by actual mistake or in excess of that required will be refunded, but a mere change of purpose after the payment of money, as when a party desires to withdraw an application, an appeal, or a request for oral hearing, will not entitle a party to demand such a return. Amounts of twenty-five dollars or less will not be returned unless specifically requested within a reasonable time, nor will the payer be notified of such amounts; amounts over twenty-five dollars may be returned by check or, if requested, by credit to a deposit account.

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[2] As in effect October 1, 1997. See 37 CFR 1.20(e)-(g). The fees are subject to adjustments pursuant to 35 U.S.C. 41(f), and are reduced by one-half for small entities pursuant to 35 U.S.C. § 41(h). Thus, the second maintenance fee payable on the above-identified patent on April 29, 1998 was $2100.

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 USC 42(d), authorizes the Commissioner to refund "any fee paid by mistake or any amount paid in excess of that required." Thus the patent and Trademark Office (PTO) 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 Commissioner charge a fee of $2100 to maintain the above-identified patent in force after eight years from its date of grant. 37 CFR 1.362(d) provides that this $2100 maintenance fee was payable on or after January 1, 1998 and was due (without a surcharge) on July 1, 1998. Thus, the $2100 maintenance fee paid on May 5, 1998 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 now 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 April 29, 1998, and paid on May 5, 1998 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 a duly authorized 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 USC § 41(b) pertaining to collection of maintenance fees. 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 Commissioner charge, and the applicant or patentee pay, the fees specified by statute upon presentation of a request for a service by the PTO. 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 second maintenance fee was due when such was submitted to the PTO on April 29, 1998, and was paid on May 5, 1998 in the correct amount. Id. The language of the statute does not permit the Commissioner any discretion with respect to charging the fees set forth therein. Id.

Rather, petitioner appears to confuse its desire not to now maintain this patent in force, after payment, "as we wish to allow this patent to go abandoned," with the previous presentation and payment of the second maintenance fee for this patent to the PTO. That is, as noted in 37 CFR 1.26(a), a 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 counsel presented, rightly, or wrongly, the aforementioned submission to the PTO for maintenance of the 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 initially deciding to maintain this patent in force. Specifically, inspection of the attached copy of the maintenance fee submission of April 29, 1998 reveals that such clearly: (1) identified, *inter alia*, the above-

identified patent, (2) requested that the PTO charge the 7.5 year payment in the amount of $2100 to counsel's deposit account 02-0625, and (3) was signed by a duly authorized representative of patentee. As such, no error in patentee's tender, or PTO acceptance, of the aforementioned maintenance fee, is apparent.

Petitioner requested that, and paid for, acceptance of the eight year maintenance fee, so that this patent maintained in force thereafter. While petitioner may now desire that this patent expire, such did not relieve patentee from his statutory mandate to pay to the PTO the fees required for the PTO to maintain this patent in force on April 29, 1998. Similarly, petitioner's alleged error in presenting those papers and fee did not relieve the PTO from its statutory mandate to collect the fees due to the PTO for maintaining the patent in force. Rather, as the patent has been maintained in force, 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 PTO. 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 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 Special Projects Examiner Brian Hearn at (703)305-1820.

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