Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

IN RE APPLICATION OF NEAL C. MILLS
Serial No. 210,658
July 26, 1989
***1** Filed: June 23, 1988

For: JEWELRY CLAMP

James E. Denny

Deputy Assistant Commissioner

ON PETITION

This is a decision on the petition, filed May 12, 1989, which is taken as a petition to withdraw the holding of abandonment.

The petition is granted.

This application became abandoned for failure to pay the full issue fee on or before May 9, 1989.

On April 17, 1989, an increase in fees went into effect and the Patent and Trademark Office (PTO) stated that the "amount of any fee due and payable on or after April 17, 1989 is the amount set in this rulemaking." Since petitioner paid the old issue fee after the effective date of the increased fees, the application was held to be abandoned. Petitioner argues that this holding is improper.

The petition indicates that the applicant paid the full issue fee that was due and should not be required to pay the new issue fee or any penalty for delayed payment. The basis for this contention is the patent law itself.

Section 151 of Title 35 sets out the procedures for issuing a patent.

If it appears that applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

Upon payment of this sum the patent shall issue, but if payment is not timely made the application shall be regarded as abandoned.

Any remaining balance of the issue fee shall be paid within three months from the mailing of a notice thereof and, if not paid, the patent shall lapse at the termination of this three-month period. In calculating the amount of a remaining balance, charges for a page or less may be disregarded.

First, Section 151 requires the PTO to provide patent applicants with written notice that their patent application has been allowed. Second, this notice must specify a sum. Third, this sum must be paid within three months (unless the delay is unintentional or unavoidable). Finally, any remaining balance must also be paid within three months of notification.

In this case applicant paid the specified issue fee within the three-month period. The only questions are whether his application went abandoned because he did not pay the new higher issue fee and whether the Office can require an applicant to pay the new higher fee after the notice of allowance specified a lower fee.

It has previously been assumed by the PTO that applicants were required to pay the issue fee in effect on the day the fee was paid, not the fee specified in the Notice of Allowance and Issue Fee Due. If the proper amount was not paid the application was abandoned and the applicant could petition the PTO to accept late payment of the issue fee under 37 CFR 1.316(b) (unavoidable delay) or 37 CFR 1.316(c) (unintentional delay).

***2** This assumption has been challenged by the instant petition and it has been determined that a change in Office policy is warranted. The plain language of section 151 requires the Office to give the applicant a written notice on allowance which specifies a sum. This sum will constitute "the issue fee or a portion thereof which shall be paid within three months thereafter.... Upon payment of this sum the patent shall issue ...".

The Office has the authority to require the applicant to pay the intervening increase in the issue fee (35 USC 41). Further, Congress has specifically provided the Office with an avenue to obtain increased issue fees. First, the statute explicitly allows the Office to specify initially only a portion of the issue fee. Second, Congress has provided means to obtain any remaining portion or the issue fee not initially specified. If the balance of the issue fee (the new fee minus the old fee) is not paid within three months of notification, the patent shall lapse.

The policy of the Office will be that if the fee specified on the Notice of Allowance and Issue Fee Due is paid by the due date the application will not be regarded as abandoned. Applicant will be sent a notice of balance of issue fee due and given three months to pay the remainder of the issue fee. The patent will lapse if the balance of the issue fee is not paid within the allotted three months.

In accordance with the above-stated policy, petitioner is required to pay a balance of issue fee of $30. Petitioner has submitted a $120 petition fee, which is unnecessary for a petition under 37 CFR 1.181. Accordingly, the required $30 will be subtracted from the fee submitted. Petitioner may request a refund of the remaining $90 by writing to the Office of Finance. A copy of this decision should accompany petitioner's request.

The application file is being forwarded to Publishing Division to be processed into a patent.

12 U.S.P.Q.2d 1847

END OF DOCUMENT