

70°14'27.546" W; thence to the point of beginning. (DATUM: NAD 83). All vessels are restricted from entering this area.

(b) *Effective Date.* This section is effective 8 a.m. April 2, 2007 until 11:59 p.m. on April 15, 2007.

(c) *Definitions.* (1) *Designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port (COTP).

(2) [Reserved]

(d) *Regulations.* (1) In accordance with the general regulations in 165.23 of this part, entry into or movement within this zone by any person or vessel is prohibited unless authorized by the COTP, Northern New England or the COTP's designated representative.

(2) The safety zone is closed to all vessel traffic, except as may be permitted by the COTP or the COTP's designated representative.

(3) Vessel operators desiring to enter or operate within the safety zone may contact the COTP or the COTP's designated representative at telephone number 207-767-0303 or on VHF Channel 13 (156.7 MHz) or VHF channel 16 (156.8 MHz) to seek permission to do so. If permission is granted, all persons and vessels must comply with the instructions given to them by the COTP or the COTP's designated representative.

Dated: April 2, 2007.

**S.P. Garrity,**

*Captain, U.S. Coast Guard, Captain of the Port, Northern New England.*

[FR Doc. E7-7187 Filed 4-13-07; 8:45 am]

**BILLING CODE 4910-15-P**

## DEPARTMENT OF COMMERCE

### Patent and Trademark Office

#### 37 CFR Parts 1 and 41

[Docket No.: PTO-P-2005-0016]

RIN 0651-AB77

#### Revisions and Technical Corrections Affecting Requirements for *Ex Parte* and *Inter Partes* Reexamination

**AGENCY:** United States Patent and Trademark Office, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** The United States Patent and Trademark Office (Office) is revising the rules of practice relating to *ex parte* and *inter partes* reexamination. The Office is

designating the correspondence address for the patent as the correct address for all communications for patent owners in an *ex parte* reexamination or an *inter partes* reexamination, and simplifying the filing of reexamination papers by providing for the use of a single "mail stop" address for the filing of substantially all *ex parte* reexamination papers (such is already the case for *inter partes* reexamination papers). The Office is revising the rules to prohibit supplemental patent owner responses to an Office action in an *inter partes* reexamination proceeding without a showing of sufficient cause. Finally, the Office is making miscellaneous clarifying changes as to terminology and applicability of the reexamination rules. The Office is not implementing its proposal (that was set forth in the proposed rule making) to newly provide for a patent owner reply to a request for reexamination, prior to the Office's decision on the request.

**DATES:** *Effective Date:* May 16, 2007.

*Applicability Date:* The changes in this final rule apply to any reexamination proceeding (*ex parte* or *inter partes*) which is pending before the Office as of May 16, 2007 and to any reexamination proceeding which is filed after that date.

**FOR FURTHER INFORMATION CONTACT:** By telephone—Kenneth M. Schor, Senior Legal Advisor at (571) 272-7710; by mail addressed to U.S. Patent and Trademark Office, Mail Stop Comments—Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, marked to the attention of Kenneth M. Schor; by facsimile transmission to (571) 273-7710 marked to the attention of Kenneth M. Schor; or by electronic mail message (e-mail) over the Internet addressed to [kenneth.schor@uspto.gov](mailto:kenneth.schor@uspto.gov).

**SUPPLEMENTARY INFORMATION:** The Office is revising the rules of practice relating to *ex parte* and *inter partes* reexamination as follows:

I: Designating the correspondence address for the patent as the correct address for all notices, official letters, and other communications for patent owners in an *ex parte* reexamination or an *inter partes* reexamination. Also, simplifying the filing of reexamination papers by providing for the use of "Mail Stop *Ex Parte* Reexam" for the filing of all *ex parte* reexamination papers (not just *ex parte* reexamination requests), other than certain correspondence to the Office of the General Counsel.

II: Prohibiting supplemental patent owner responses to an Office action in an *inter partes* reexamination without a showing of sufficient cause.

III: Making miscellaneous clarifying changes as to the terminology and applicability of the reexamination rules, and correcting inadvertent errors in the text of certain reexamination rules.

### I. Reexamination Correspondence

*Subpart 1—The Patent Owner's Address of Record:* Section 1.33(c) has been revised to designate the correspondence address for the patent to be reexamined, or being reexamined, as the correct address for all notices, official letters, and other communications for patent owners in reexamination proceedings. Prior to this revision to § 1.33(c), all notices, official letters, and other communications for patent owners in a reexamination proceeding had been directed to the attorney or agent of record in the patent file at the address listed on the register of patent attorneys and agents maintained by the Office of Enrollment and Discipline (OED) pursuant to § 11.5 and § 11.11 (hereinafter, the "attorney or agent of record register address").

The correspondence address for any pending reexamination proceeding not having the same correspondence address as that of the patent is, by way of this revision to § 1.33(c), automatically changed to that of the patent file—as of the effective date of this Notice. For any such proceeding, it is strongly encouraged that the patent owner affirmatively file a Notification of Change of Correspondence Address in the reexamination proceeding and/or the patent to conform the address of the proceeding with that of the patent and to clarify the record as to which address should be used for correspondence. While the correspondence address change for the reexamination proceeding is automatically effected (by rule) even if the patent owner notification is not filed, such a patent owner notification clarifies the record, and addresses the possibility that, absent such a patent owner notification, correspondence may inadvertently be mailed to an incorrect address, causing a delay in the prosecution.

This revision to § 1.33(c) is based on the following: (1) Prior to the revision, the Office had received reexamination filings where the request had been served on the patent owner at the correspondence address under § 1.33(a) that was the correct address for the patent, rather than at the attorney or agent of record register address that was the previously prescribed (prior to the present rule revision) correspondence address in § 1.33(c) for use in reexamination. This occurred because the § 1.33(a) address was, and is, the address used for correspondence during

the pendency of applications, as well as post-grant correspondence in patents maturing from such applications. (2) Further, even if a potential reexamination requester realized that the attorney or agent of record register address was the proper patent owner address to use, patent practitioners occasionally move from one firm to another, and a potential reexamination requester was then faced with two (or more) § 1.33(c) addresses for the practitioners of record; the requester then had to decide which practitioner to serve. (3) Finally, the "attorney or agent of record register address" might not be kept up-to-date. In this regard, the OED regularly has mail returned because the register of patent attorneys and agents maintained pursuant to § 11.5 and § 11.11 is not up-to-date. On the other hand, a practitioner or patent owner was, and is, likely to be inclined to keep the § 1.33(a) address up-to-date for prompt receipt of notices regarding the patent. Thus, the correspondence address for the patent provides a better or more reliable option for the patent owner's address than does the address in the register of patent attorneys and agents maintained by OED pursuant to § 11.5 and § 11.11 (which was the reexamination address for the patent owner called for by § 1.33(c) prior to the present revision of § 1.33(c)).

As was pointed out in the notice of proposed rule making (*Revisions and Technical Corrections Affecting Requirements for Ex Parte and Inter Partes Reexamination*, 71 FR 16072 (March 30, 2006) 1305 *Off. Gaz. Pat. Office* 132 (April 25, 2006)), a change to the correspondence address may be filed with the Office during the enforceable life of the patent, and the correspondence address will be used in any correspondence relating to maintenance fees unless a separate fee address has been specified. See § 1.33(d). A review of randomly selected recent listings of *inter partes* reexamination filings reflected that all had an attorney or agent of record for the related patents. There were an average of 18.6 attorneys or agents of record for the patents, and for those attorneys or agents, an average of 3.8 addresses (according to the register of patent attorneys and agents maintained pursuant to § 11.5 and § 11.11). Although for half of the patents, all of the attorneys or agents had the same address, one patent had 77 attorneys and agents of record, and the register reflects 18 different addresses for these practitioners. In such a patent with many different attorneys and agents of record, and many of the practitioners in

different states, mailing a notice related to a reexamination proceeding for the patent to the OED register address of an attorney or agent of record in the patented file, even the attorney or agent most recently made of record, is likely to result in correspondence not being received by the appropriate party (prior to the present rule change, the notice would have been mailed to the first-listed attorney or agent of record).

Since the correspondence address of the patent file is used for maintenance fee correspondence where a fee address is not specified, patent owners already have an incentive to keep the correspondence address for a patent file up-to-date. Given the choice of relying on either the correspondence address for the patent or the address for the attorney/agent of record per the register of patent attorneys and agents (as was the case prior to the present revision of § 1.33(c)), it is more reasonable to rely on the correspondence address for the patent. The patentee is responsible for updating the correspondence address for the patent, and if the patentee does not, then the patentee appropriately bears the risk of a terminated reexamination prosecution due to the failure to respond to an Office action sent to an obsolete address. Further, use of the correspondence address for the patent provides both a potential reexamination requester and the Office with one simple address to work with, and the requester and the Office should not be confused in the situations where attorneys move from firm to firm (as that has become more common). The correspondence address for the patent is available in public PAIR (Patent Application Information Retrieval) at the Office's Web site [www.uspto.gov](http://www.uspto.gov), so that a requester need only click on the address button for the patent, and he/she will know what address to use.

**Subpart 2—Reexamination correspondence addressed to the Office:** Section 1.1(c) is revised to prescribe the use of "Mail Stop *Ex Parte* Reexam" for the filing of all *ex parte* reexamination papers (not just *ex parte* reexamination requests), other than correspondence to the Office of the General Counsel pursuant to § 1.1(a)(3) and § 1.302(c).

In the final rule *Changes to Implement the 2002 Inter Partes Reexamination and Other Technical Amendments to the Patent Statute*, 68 FR 70996 (Dec. 22, 2003), 1278 *Off. Gaz. Pat. Office* 218 (Jan. 20, 2004), § 1.1(c) was amended to provide separate mail stops for *ex parte* reexamination proceedings and *inter partes* reexamination proceedings. As per that rule making, the mail stop for *ex parte* reexamination proceedings could only

be used for the original request papers for *ex parte* reexamination. The new mail stop for *inter partes* reexamination, on the other hand, was to be used for both original request papers and all subsequent correspondence filed in the Office (other than correspondence to the Office of the General Counsel pursuant to § 1.1(a)(3) and § 1.302(c)), because the Central Reexamination Unit (CRU) was (and still is) the central receiving area for all *inter partes* reexamination proceeding papers. The CRU has now also become the central receiving area for all *ex parte* reexamination proceeding papers. Accordingly, the filing of *ex parte* reexamination papers is now simplified by revising § 1.1(c) to require the use of "Mail Stop *Ex Parte* Reexam" for the filing of all *ex parte* reexamination papers (original request papers and all subsequent correspondence), other than correspondence to the Office of the General Counsel pursuant to § 1.1(a)(3) and § 1.302(c). Correspondence relating to all reexamination proceedings is best handled at one central location where Office personnel have specific expertise in reexamination because of the unique nature of reexamination proceedings. That central location is the CRU.

## II. To Prohibit Supplemental Patent Owner Responses to an Office Action Without a Showing of Sufficient Cause

The Office is amending § 1.945 to provide that a patent owner supplemental response (which can be filed to address a third-party requester's comments on patent owner's initial response to an Office action) will be entered only where the patent owner has made a showing of sufficient cause as to why the supplemental response should be entered.

Pursuant to § 1.937(b), an *inter partes* reexamination proceeding is "conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process \* \* \* except as otherwise provided \* \* \*". Thus, a patent owner's response to an Office action is governed by § 1.111. Prior to the revision of § 1.111(a)(2) implemented via the final rule, *Changes To Support Implementation of the United States Patent and Trademark Office 21st Century Strategic Plan*, 69 FR 56482 (Sept. 21, 2004), 1287 *Off. Gaz. Pat. Office* 67 (Oct. 12, 2004) (final rule), a patent owner could file an unlimited number of supplemental responses to an Office action for an *inter partes* reexamination proceeding, thereby delaying prosecution. The changes to § 1.111(a)(2) made in the Strategic Plan final rule, in effect, addressed this

undesirable consequence of the rules in reexamination by providing that a reply (or response, in reexamination) which is supplemental to a § 1.111(b) compliant reply will not be entered as a matter of right (with the exception of a supplemental reply filed while action by the Office is suspended under § 1.103(a) or (c)).

Section 1.111(a)(2)(i), as implemented in the Strategic Plan final rule, provides that “the Office may enter” a supplemental response to an Office action under certain conditions. Whether or not the supplemental response should be entered, based on the individual circumstances for submission of a supplemental response is a question to be decided by the Office. In order to fully inform both the Office and the requester (so that the requester can provide rebuttal in its comments) as to why patent owner deems a supplemental response to be worthy of entry, § 1.945 has been revised to require a patent owner showing of sufficient cause why entry should be permitted to accompany any supplemental response by the patent owner. The showing of sufficient cause must provide: (1) A detailed explanation of how the criteria of § 1.111(a)(2)(i) is satisfied; (2) an explanation of why the supplemental response was not presented together with the original response to the Office action; and (3) a compelling reason to enter the supplemental response. It is to be noted that in some instances, where there is a clear basis for the supplemental response, this three-prong showing may be easily satisfied. Thus, for example, the patent claim text may have been incorrectly reproduced, where a patent claim is amended in the original response. In such an instance, the patent owner need only point to the § 1.111(a)(2)(i)(E) provision for correction of informalities (e.g., typographical errors), and state that the incorrect reproduction of the claim was not noted in the preparation of the original response. The compelling reason to enter the supplemental response is implicit in such a statement, as the record for the proceeding certainly must be corrected as to the incorrect reproduction of the claim.

This revision permits the entry of a supplemental response to an Office action where there is a valid reason for it, and a showing to that effect is made by the patent owner. At the same time, it provides both the Office and the requester with notice of patent owner's reasons for desiring entry, and it permits the requester to rebut patent owner's stated position.

It is to be noted that any requester comments filed after a patent owner response to an Office action must be filed “within 30 days after the date of service of the patent owner's response.” 35 U.S.C. 314(b)(2). Thus, where the patent owner files a supplemental response to an Office action, the requester would be well advised to file any comments deemed appropriate within 30 days after the date of service of the patent owner's supplemental response to preserve requester's comment right, in the event the Office exercises its discretion to enter the supplemental response. (The requester's comments may address whether the patent owner showing is adequate, in addition to addressing the merits of the supplemental response.) If the patent owner's supplemental response is not entered by the Office, then both the supplemental response, and any comments following that supplemental response, will either be returned to parties or discarded as the Office chooses in its sole discretion. If the supplemental response and/or comments were scanned into the electronic Image File Wrapper (IFW) for the reexamination proceeding, and thus, the papers cannot be physically returned or discarded, then the supplemental response and/or comments entries will be marked “closed” and “non-public,” and they will not constitute part of the record of the reexamination proceeding. Such papers will not display in the Office's image file wrapper that is made available to the public, patent owners, and representatives of patent owners, i.e., they will not display in PAIR (Patent Application Information Retrieval) at the Office's Web site <http://www.uspto.gov>.

### III. Clarifying Changes as to Reexamination Rule Terminology and Applicability, and Correction of Inadvertent Errors in the Text of Certain Reexamination Rules

The Office is making miscellaneous clarifying changes as to the terminology and applicability of the reexamination rules. The rule changes of sub-parts 1 and 2 below were originally proposed in the *Changes To Support Implementation of the United States Patent and Trademark Office 21st Century Strategic Plan*, 68 FR 53816 (Sept. 12, 2003), 1275 *Off. Gaz. Pat. Office* 23 (Oct. 7, 2003) (proposed rule) (hereinafter the Strategic Plan Proposed Rule). The Office did not proceed with those changes in the final rule *Changes To Support Implementation of the United States Patent and Trademark Office 21st Century Strategic Plan*, 69

FR 56482 (Sept. 21, 2004), 1287 *Off. Gaz. Pat. Office* 67 (Oct. 12, 2004) (final rule) (hereinafter the Strategic Plan Final Rule). The Office then re-presented those proposals in *Revisions and Technical Corrections Affecting Requirements for Ex Parte and Inter Partes Reexamination*, 71 FR 16072 (March 30, 2006) 1305 *Off. Gaz. Pat. Office* 132 (April 25, 2006) (proposed rule) after further consideration and in view of the changes made by the final rule *Rules of Practice Before the Board of Patent Appeals and Interferences*, 69 FR 49960 (Aug. 12, 2004), 1286 *Off. Gaz. Pat. Office* 21 (Sept. 7, 2004) (final rule) (hereinafter, the Appeals final rule). The essential substance of the changes set forth in sub-parts 1 and 2, remains as originally proposed in the Strategic Plan Proposed Rule.

The four types (sub-parts) of revisions are explained as follows:

*Sub-part 1.* The rules are amended to clarify that “conclusion” of a reexamination “proceeding” takes place when the reexamination certificate is issued and published, while “termination” of the “prosecution” of the proceeding takes place when the patent owner fails to file a timely response in an *ex parte* or *inter partes* reexamination proceeding, or a Notice of Intent to Issue Reexamination Certificate (NIRC) is issued, whichever occurs first. This distinction is important, because a reexamination prosecution that is terminated may be reopened at the option of the Director where appropriate. For example, a rejection that was withdrawn during the proceeding may be reinstated after the prosecution has terminated, where the propriety of that rejection has been reconsidered. In contrast, a reexamination proceeding that has been concluded is not subject to being reopened. After the reexamination proceeding has been concluded, the Office is not permitted to reinstate the identical ground of rejection in a subsequent reexamination proceeding, when the same question of patentability raised by the prior art in the concluded proceeding is the basis of the rejection. See section 13105, part (a), of the Patent and Trademark Office Authorization Act of 2002, enacted in Public Law 107–273, 21st Century Department of Justice Appropriations Authorization Act, 116 Stat. 1758 (2002).

This distinction between terminating the prosecution of the reexamination proceeding, and the conclusion of the reexamination proceeding, was highlighted by the Federal Circuit decision of *In re Bass*, 314 F.3d 575, 577, 65 USPQ2d 1156, 1157 (Fed. Cir. 2003), wherein the court indicated that

Until a matter has been completed, however, the PTO may reconsider an earlier action. See *In re Borkowski*, 505 F.2d 713, 718, 184 USPQ 29, 32–33 (CCPA 1974). A reexamination is complete upon the statutorily mandated issuance of a reexamination certificate, 35 U.S.C. 307(a); the NIRC merely notifies the applicant of the PTO's intent to issue a certificate. A NIRC does not wrest jurisdiction from the PTO precluding further review of the matter.

Each of the Notice of Intent to Issue Reexamination Certificate cover sheet forms (*ex parte* reexamination Form PTOL 469 and *inter partes* reexamination Form PTOL 2068) specifically states (in its opening sentence) that “[p]rosecution on the merits is (or remains) closed in this \* \* \* reexamination proceeding. This proceeding is subject to reopening at the initiative of the Office, or upon petition.” This statement in both forms makes the point that the NIRC terminates the prosecution in the reexamination proceeding (if prosecution has not already been terminated, *e.g.*, via failure to respond), but does not (terminate or) conclude the reexamination proceeding itself. Rather, it is the issuance and publication of the reexamination certificate that concludes the reexamination proceeding. The rules are revised accordingly.

**Definitional Consideration:** In the Strategic Plan Proposed Rule, the terminology used was that a patent owner's failure to file a timely response in a reexamination proceeding (and the issuance of the NIRC) would “conclude” the prosecution of the reexamination proceeding, but would not terminate the reexamination proceeding, and the issuance and publication of a reexamination certificate would “terminate” the reexamination proceeding. This usage of “conclude” and “terminate” has been reconsidered, however, and the usage of the terms has been reversed to be consistent with the way the Office defines “termination,” as can be observed in the recent Appeals final rule (*supra.*). It is to be noted that the patent statute, in 35 U.S.C. 307(a), states for *ex parte* reexamination: “In a reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Director will issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.” (Emphasis added). 35 U.S.C. 316 contains an analogous statement for

*inter partes* reexamination. Thus, after the appeal proceeding in the reexamination is terminated (which terminates the prosecution in the reexamination), the reexamination proceeding is concluded by the issuance and publication of the reexamination certificate.

It is further observed that in the Appeals final rule, § 1.116(c) states that “[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 \* \* \* reexamination prosecution from termination under § 1.550(d) or § 1.957(b) \* \* \*.” The use of “termination of the prosecution” is consistent with the presentation in § 1.116(c) in the Appeals final rule. As a further indication in the Appeals final rule, § 1.197(a) discusses the passing of jurisdiction over an application or patent under *ex parte* reexamination proceeding to the examiner after a decision by the Board of Patent Appeals and Interferences, and § 1.197(b) then states that “[p]roceedings on an application are considered terminated by the dismissal of an appeal or the failure to timely file an appeal to the court or a civil action (§ 1.304) except \* \* \*.” Thus, the termination (of the appeal) does not signify the completion of an application or reexamination proceeding. Rather, the application then continues until patenting or abandonment, and the reexamination continues until issuance (and publication) of the reexamination certificate; at that point these proceedings are concluded.

The above changes are directed to §§ 1.502, 1.530(l)(2), 1.550, 1.565(d), 1.570, 1.902, 1.953, 1.957, 1.958, 1.979, 1.991, 1.997, and 41.4.

**Sub-part 2.** The reexamination rules are revised to state that the reexamination certificate is “issued and published.” Prior to this revision, the rules referred to the issuance of the reexamination certificate, but failed to refer to the publication of the certificate.

Pursuant to 35 U.S.C. 307(a), “when the time for appeal has expired or any appeal proceeding has terminated, the Director will issue and publish a certificate \* \* \*” (emphasis added) for an *ex parte* reexamination proceeding. Likewise, for an *inter partes* reexamination, 35 U.S.C. 316(a) states that “when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate” (emphasis added). Any reexamination proceeding is concluded when the reexamination certificate has been issued and

published. It is at that point in time that the Office no longer has jurisdiction over the patent that has been reexamined. Accordingly, the titles of §§ 1.570 and 1.997, as well as paragraphs (b) and (d), are now revised to track the language of 35 U.S.C. 307 and 35 U.S.C. 316, and refer to both issuance and publication, to thereby make it clear in the rules when the reexamination proceeding is concluded. The other reexamination rules containing language referring to the issuance of the reexamination certificate are likewise revised. These changes are directed to §§ 1.502, 1.530, 1.550, 1.565(c), 1.570, 1.902, 1.953, 1.957, 1.979, and 1.997.

**Sub-part 3.** In § 1.137, the introductory text of paragraphs (a) and (b) previously stated “a reexamination proceeding terminated under §§ 1.550(d) or 1.957(b) or (c).” [Emphasis added]. As pointed out in the discussion of the first sub-part, when the patent owner fails to timely respond, it is actually the prosecution of the reexamination that is terminated under § 1.550(d) for *ex parte* reexamination, or is terminated under § 1.957(b) for *inter partes* reexamination. For the § 1.957(c) scenario, however, the prosecution of the *inter partes* reexamination proceeding is not terminated when the patent owner fails to timely respond pursuant to § 1.957(c). Rather, an Office action is issued to permit the third party requester to challenge the claims found patentable (as to any matter where the requester has preserved the right of such a challenge), and the prosecution is “limited to the claims found patentable at the time of the failure to respond, and to any claims added thereafter which do not expand the scope of the claims which were found patentable at that time.” Section 1.957(c). Accordingly, the introductory text of § 1.137(a), and that of § 1.137(b), is now revised to provide for the situation where the prosecution is “limited” pursuant to § 1.957(c) (and the prosecution of the reexamination is not “terminated”). Also, § 1.137(e) is revised consistently with § 1.137(a) and § 1.137(b). Further, conforming changes are made to §§ 1.8 and 41.4, which are revised to contain language that tracks that of §§ 1.137(a) and 1.137(b).

It is noted that § 1.957(c) does, in fact, result in the “terminating” of reexamination prosecution as to the non-patentable claims (under § 1.957(b), on the other hand, prosecution is terminated *in toto*). It would be confusing, however, to refer to a termination of reexamination prosecution in the § 1.957(c) scenario, since the limited termination as to the

non-patentable claims could easily be confused with the termination of the entirety of the prosecution of § 1.957(b). Accordingly, the § 1.957(c) “limited” scope of prosecution to the scope of the claims found patentable is the language deemed better suited for use in the rules.

*Sub-part 4.* Section 1.8(b) is revised to explicitly provide a remedy for an *inter partes* reexamination proceeding where correspondence was mailed or transmitted in accordance with paragraph § 1.8(a) by a patent owner, and pursuant to § 1.957(c), the reexamination prosecution is not terminated, but is rather “limited to the claims found patentable at the time of the failure to respond, and to any claims added thereafter which do not expand the scope of the claims which were found patentable at that time.” Pursuant to the previous version of § 1.8(b), a remedy was provided for having correspondence considered to be timely filed, where correspondence was mailed or transmitted in accordance with paragraph § 1.8(a) but not timely received in the Office, and “the application [was] held to be abandoned or the proceeding is dismissed, terminated, or decided with prejudice.” [Emphasis added.] It could have appeared that § 1.8(b) did not apply to the § 1.957(c) scenario where prosecution is “limited” rather than “terminated.” Therefore, § 1.8(b) is revised to explicitly apply the § 1.8(b) remedy in the § 1.957(c) scenario as well.

In addition, the certificate of mailing and transmission is available to a third party requester filing papers in an *inter partes* reexamination. See MPEP 2624 and 2666.05. Just as a § 1.8(b) remedy is (and was) provided for the patent owner in the § 1.957(b) and § 1.957(c) scenarios, § 1.8(b) is now revised to explicitly provide a remedy for the requester in the § 1.957(a) scenario.

*Sub-part 5.* The final rule *Rules of Practice Before the Board of Patent Appeals and Interferences* 69 FR 49960 (Aug. 12, 2004), 1286 *Off. Gaz. Pat. Office* 21 (Sept. 7, 2004) (final rule) revised the reexamination appeal rules to remove and reserve §§ 1.961 to 1.977. In addition, §§ 1.959, 1.979, 1.993 were revised and new §§ 41.60 through 41.81 were added. Revisions of some of the reexamination rules referring to these sections were inadvertently not made, and have now been made via this Notice. Further, §§ 1.510(f) and 1.915(c) are revised to change § 1.34(a) to § 1.34, to update the two sections to conform with the revision of § 1.34 made in final rule *Revision of Power of Attorney and*

*Assignment Practice* 69 FR 29865 (May 26, 2004) (final rule).

In addition, in the final rule *Clarification of Filing Date Requirements for Ex Parte and Inter Partes Reexamination Proceedings*, 71 FR 44219 (Aug. 4, 2006) (final rule), the following errors appear. At page 44222, it is stated:

“If after receiving a ‘Notice of Failure to Comply with \* \* \* Reexamination Request Filing Requirements,’ the requester does not remedy the defects in the request papers that are pointed out, then the request papers will not be given a filing date, and a control number will not be assigned \* \* \*. If any identified non-compliant item has not been corrected, then a filing date (and a control number) will not be assigned to the request papers.” [Emphasis added]

The Office will, however, be assigning control numbers and receipt dates to requests for reexamination that are not compliant with the reexamination filing date requirements. Thus, the text should read, and is hereby corrected to read:

“If after receiving a ‘Notice of Failure to Comply with \* \* \* Reexamination Request Filing Requirements,’ the requester does not remedy the defects in the request papers that are pointed out, then the request papers will not be given a filing date. The simplest case \* \* \*. If any identified non-compliant item has not been corrected, then a filing date will not be assigned to the request papers.”

*Comments Received:* The Office published a notice proposing the changes to *ex parte* and *inter partes* reexamination practice for comment. See *Revisions and Technical Corrections Affecting Requirements for Ex Parte and Inter Partes Reexamination*, 71 FR 16072 (March 30, 2006) 1305 *Off. Gaz. Pat. Office* 132 (April 25, 2006) (hereinafter, the “Revisions and Technical Corrections proposed rule”). In response to the Revisions and Technical Corrections proposed rule, the Office received four sets of written comments—one from an intellectual property organization, two from corporations, and one from a law firm. There were no comments received from individual patent practitioners or others.

The following four proposals were set forth in the Revisions and Technical Corrections proposed rule:

*Proposal I:* To newly provide for a patent owner reply to a request for an *ex parte* reexamination or an *inter partes* reexamination prior to the examiner’s decision on the request.

*Proposal II:* To prohibit supplemental patent owner responses to an Office action in an *inter partes* reexamination without a showing of cause.

*Proposal III:* To designate the correspondence address for the patent

as the correct address for all notices, official letters, and other communications for patent owners in an *ex parte* reexamination or an *inter partes* reexamination. Also, to simplify the filing of reexamination papers by providing for the use of “Mail Stop *Ex parte* Reexam” for the filing of all *ex parte* reexamination papers (not just *ex parte* reexamination requests), other than certain correspondence to the Office of the General Counsel.

*Proposal IV:* To make miscellaneous clarifying changes as to the terminology and applicability of the reexamination rules, and to correct inadvertent errors in the text of certain reexamination rules.

After reviewing the comments, this notice of final rule making: (a) Adopts Proposals II—IV of the Revisions and Technical Corrections proposed rule for revision of the rules of practice, while making only stylistic and non-substantive changes to the relevant rules, which changes are discussed below, and (b) does not adopt Proposal I of the Revisions and Technical Corrections proposed rule.

The comments taking issue with the proposals, and the Office’s responses to those comments, now follow. Comments generally in support of a change that has been adopted are only discussed in some instances.

### **I. Comments as to Proposal I of the Revisions and Technical Corrections Proposed Rule**

Proposal I, as set forth in the Revisions and Technical Corrections proposed rule, was to newly provide for a patent owner reply to a request for reexamination, prior to the Office’s decision on the request. Comments against implementing the proposal in any form, were advanced by a major intellectual property organization and one of the two corporations that commented on the proposal. One comment, which was advanced by the other corporation that commented, was in favor of implementing the proposal even more liberally in favor of the patent owner than was proposed.

1. *The corporate comment in favor of implementation of Proposal I:* This comment states that commenter believes this proposed rule change allows for greater input from involved parties before an Examiner determines whether reexamination should be declared, and that the greater input would further the goal of a fair and efficient, well-informed reexamination. The comment further states that the proposed rule change would allow patentees to inform the Patent Office of facts that may bear upon the decision on the reexamination

request, such as the outcome of litigation involving prior art submitted to the Patent Office with the request, and other relevant factors.

The comment then goes on to request "further clarification and certain modifications to the proposed rule change." The commenter urges that patent owner's reply to a Director-ordered examination should be allowed. The commenter asserts that the discarding/returning of a non-compliant patent owner reply to a request for reexamination (without a chance for re-submission) seems unduly harsh, and is unlike other Office rules that allow a submission to be corrected if not in proper form. The commenter further requests that various options as to relief from the 50-page limit for the reply be implemented. Finally, the commenter suggests implementation of the Electronic Filing System (EFS) to expedite submission of the reply to the request.

2. *The intellectual property organization comment opposed to implementation of Proposal I:* The commenter points out that evidence has not been proffered to suggest a need for a patent owner to have an opportunity to reply to a request for reexamination before a decision has been made by the Office. It is asserted that no evidence has been advanced as to granted reexaminations that should not have been granted based on incomplete/inaccurate information, or because of the allegedly low statutory threshold of a "substantial new question of patentability" to order reexamination, or because of an examiner inexperienced in reexamination practices. The commenter later provides a statistical analysis to show that the Office's reexamination statistics do not justify implementation of Proposal I without such evidence.

The comment states that the Office has made a substantial improvement in the handling of reexamination proceedings by creating the new Central Reexamination Unit (CRU) dedicated to these proceedings, resulting in better management of reexamination proceedings, more timely, detailed and thorough Office actions, and an increase of the quality of the work product. Given this, it seems premature to introduce the opportunity for a patent owner to file a reply before the Office makes a decision on the request before it is determined that the expertise being applied in the new reexamination unit will not avoid or at least minimize any problem that is identified. In addition, there is a concern that placing additional and perhaps unnecessary burdens on the new CRU will inhibit

either the quality or special dispatch of the work being performed by the CRU.

The comment identifies a "significant concern with the proposed practice \* \* \* that it has the potential to significantly alter the balance between the patent owner and a third party in *ex parte* reexaminations in further favor of the patent owner." The comment continues,—“The *ex parte* reexamination proceeding is recognized as being one that is biased heavily in favor of the patent owner by excluding participation by the third party after the request is filed (unless the patent owner files a statement after the request is granted that would trigger only one additional opportunity for the third party to reply to any statement filed by the patent owner) \* \* \*. [U]nder the proposal, the patent owner effectively would have an opportunity to file a patent owner's statement before the PTO decision on the request and thereafter exclude the third party from further participation in the proceeding by simply not filing any patent owner's statement.” The comment concludes that the Office “should not bias the *ex parte* proceeding in further favor of the patent owner, and should not take steps that will create additional and unnecessary burdens on the reexamination unit that are likely to further weaken the incentives for third parties to provide useful information relevant to patentability to the [Office].” The commenter then adds that “[e]ven in an *inter partes* proceeding, we are not aware of any justification for unnecessarily adding to the burdens of the reexamination unit or providing opportunities for the patent owner to delay the initiation of *inter partes* reexamination.”

3. *The corporate comment opposed to implementation of Proposal I:* The comment points out some generally favorable aspects of Proposal I, but counters with a recognition that “the impact of the issuance and enforcement of potentially invalid patents [is] so detrimental to the public as to warrant giving the requester every opportunity to proffer prior art to the Office for its consideration even though some inefficiencies may result.” Commenter expresses a concern that “permitting the patent owner to respond to the requester's comments before a reexamination determination is made” could “have the additional unintended affect [*sic*, effect] of going beyond merely addressing whether or not there is a substantial new question of patentability, thus discouraging third party requesters from using the reexamination process.” The commenter notes the potential that the proposal

“will delay the issuance of orders because of the time spent by the examiner in reviewing the patent owner's comments. It will also begin an unofficial ‘mini’ reexamination proceeding before the examiner actually has made a decision to order reexamination. That is, it will be difficult for the examiner to avoid considering why the subject matter as claimed was not anticipated or rendered obvious by the prior art cited in the request in view of the patent owner's reply before the order granting reexamination is made. This will result in the discouraging of third party requester's [*sic*] from utilizing the reexamination process because of the perception that the Office may unintentionally address ‘the merits’ rather than merely determining whether or not the requester raised a substantial new question of patentability.” The commenter expresses a final concern that “allowing patent owner comments may actually cause an increase in petition filings. Ultimately, this churn between the Office and the requester could create a different source of Office delays as well as expense for the requester before the order even issues.” The commenter further states: “Particularly for requests worthy of proceeding to reexamination, the Office should take care to ensure that patent owner's response does not delay issuance of the order and reexamination process.”

Proposal I is not adopted for the detailed reasons set forth in the intellectual property organization and corporate comments opposed to implementation of Proposal I. Reexamination practice will, however, in the future be re-evaluated to determine whether this proposal should be reconsidered at a later date.

The corporate comment opposed to implementation of Proposal I provided suggestions to address some of its concerns, and these will now be addressed. The suggestions include strictly limiting the patent owner's response with review to ensure that the patent owner does not “comment on the merits, rather than just the issue of whether a new question of patentability is raised” and “placing a high burden on the patent holder to overcome a request, such as by clear and convincing evidence.” Such suggestions, however, would unduly complicate and prolong the reexamination proceeding with a requirement for a highly subjective determination as to what would be, or would not be, prohibited in a patent owner's direct reply to a reexamination request.

The commenter that favored implementing Proposal I suggested implementing the proposal more liberally in favor of the patent owner than was proposed by the Office. Such points are, however, moot, as the proposal is not being adopted. The following is also added with respect to the suggestions made. As to the assertion that the discarding/returning of a non-compliant patent owner reply without a chance for re-submission is unlike other Office rules that allow a submission to be corrected if not in proper form, in this instance there is a three-month statutory period running against the Office to decide the request. A reply correction cycle would make it unduly burdensome for the Office to comply with the three-month statutory mandate. As to the various options as to liberalizing the 50-page limit for the reply suggested by commenter, this too would impact on the Office's ability to comply with the three-month statutory mandate.

As to the suggestion for a patent owner reply to a Director-ordered reexamination, the following is observed: After reexamination is ordered at the initiative of the USPTO Director, the patent owner does in fact have the right to reply via a patent owner's statement under § 1.530. This right of "reply" takes place before the proceeding enters into the examination stage, and is essentially what the commenter is requesting. As to a notification to patent owner prior to reexamination being ordered at the initiative of the USPTO Director, which the commenter also refers to, there is no official proceeding at that point in which to notify the patent owner of the intent to initiate a reexamination. Also, if such a notice of intent to initiate a reexamination were issued as suggested by the commenter, that would be tantamount to ordering reexamination since a substantial new question of patentability would be needed in each case. The effect would be the same as initiating reexamination followed by a patent owner's statement under § 1.530 filed prior to the examination stage of the proceeding, which is provided for in the current practice. Further, the suggestion also is subject to the above-discussed concerns raised in the intellectual property organization and corporate comments opposed to implementation of Proposal I.

## II. Comments as to Proposal II of the Revisions and Technical Corrections Proposed Rule

Proposal II, as set forth in the Revisions and Technical Corrections proposed rule, was to prohibit a

supplemental patent owner response to an Office action (which can be filed to address a third party requester's comments on patent owner's initial response to an Office action) without an adequate showing of sufficient cause for entry. This would be implemented by revising § 1.945. Three comments addressed this proposal.

1. The law firm comment expresses a belief that the proposed revision to § 1.945 would achieve the Office's purpose of (1) providing assistance to the Office in exercising its discretion to enter supplemental replies pursuant to § 1.111(a)(2) in *inter partes* reexamination proceedings, and (2) discouraging patent owners from filing superfluous supplemental replies that delay the proceedings. The commenter, however, raises certain concerns as to the proposal.

Commenter correctly points out that, pursuant to the proposal, the showing of sufficient cause would be required to provide: (1) A detailed explanation of how the criteria of § 1.111(a)(2)(i) is satisfied; (2) an explanation of why the supplemental response could not have been presented together with the original response to the Office action; and (3) a compelling reason to enter the supplemental response. The commenter then asserts that an explanation of why the supplemental response "could not" have been presented together with the original response is not workable. The commenter suggests use of "was not" in place of "could not" to address the concern. This point is well taken and is adopted. Once the patent owner explains why the supplemental response "was not" presented together with the original response, the Office can evaluate the reason in terms of the equities it provides. Thus, if the patent owner was reasonably not aware of a certain fact or circumstance that generated patent owner's basis for the supplemental response, that will be a factor to be balanced against the delay in the proceeding and additional resources to be expended by the requester and the Office.

Commenter also asserts that there is no guidance of what would be a "compelling reason" to enter the supplemental response.

This point is addressed here in terms of equities. A patent owner would need to show that its position would be prejudiced by the lack of entry of a supplemental response in a way that cannot be addressed later in the proceeding, and that the adverse effect on patent owner is significant enough to counter-balance the delay in the proceeding and additional resources to be expended by the requester and the

Office. Thus, if the patent owner simply was not aware of an argument, or even rebuttal art, that the requester submitted in commenting on the Office action and patent owner's response, a supplemental response will not be entered for the purpose of addressing the argument, or rebuttal art. The purpose of the response is to respond to the Office action, not to reply to the requester or to reshape the patent owner's response after obtaining requester's input. Likewise, if the purpose of the supplemental response is merely to reconfigure claims without making a material change to the substance, or to add some claims for additional scope of protection, such would not provide a compelling reason.

2. The intellectual property organization comment supports implementation of Proposal II. Commenter, however, requests clarification as follows: "If a patent owner files a supplemental response to a PTO action in an *inter partes* reexamination proceeding, we understand that it must be accompanied by a showing of sufficient cause. We further understand that the filing of that supplemental response, whether or not accompanied by an appropriate showing and whether or not the PTO ultimately enters the supplemental response, will trigger an opportunity for the third party to file written comments that may address both the supplemental response and any showing of sufficient cause. Please confirm whether our understanding is correct."

In response, the following is provided. It is mandated by statute that any requester comments filed after a patent owner response to an Office action must be filed "within 30 days after the date of service of the patent owner's response." 35 U.S.C. 314(b)(2). Thus, where the patent owner files a supplemental response to an Office action, the requester would be well advised to file any comments deemed appropriate (to address the merits and/or showing of sufficient cause) within 30 days after the date of service of the patent owner's supplemental response, in case the Office exercises its discretion to enter the supplemental response. If the supplemental response is not entered, both the supplemental response and any comments following that supplemental response will either be returned to parties or discarded as the Office chooses in its sole discretion. If the supplemental response and/or comments were scanned into the electronic Image File Wrapper (IFW) for the reexamination proceeding, and thus, the papers cannot be physically returned or discarded, then the



supplemental response and/or comments entries will be marked “closed” and “non-public,” and they will not constitute part of the record of the reexamination proceeding. Such papers will not display in the Office’s image file wrapper that is made available to the public, patent owners, and representatives of patent owners, *i.e.*, they will not display in PAIR at the Office’s Web site <http://www.uspto.gov>.

3. One of the two corporate comments opposes Proposal II. Commenter states that “‘compelling reasons’ for entering a supplemental reply is not the standard set by sections 111(a)(2)(i)(A)–(F), and no justification has been suggested for why a patentee should be subjected to such an obstacle. We submit that the undefined but presumably considerable ‘compelling reason’ standard is unnecessary, and will unfairly prevent patentees from presenting information to the Patent Office that will assist in achieving a correct outcome in reexaminations. This will reduce the quality and reliability of reexamination decisions, and thus this proposed rule should not be implemented.”

The comment is noted, but it is not persuasive in view of the following: Sections 1.111(a)(2)(i)(A) through (a)(2)(i)(F) were implemented with a focus on applications for patents, in which the prosecution is *ex parte*. For reexamination, however, there is a unique statutory mandate for special dispatch, which calls for measures to minimize delays in the proceeding. In an *ex parte* reexamination proceeding, delay brought about by a supplemental patent owner response can be acceptable where the delay is insignificant, in order to achieve the benefits to which the commenter alludes. In *inter partes* reexamination, however, each time the patent owner supplementally responds, the requester may, by statute, respond within a given time period; the Office must then process a whole new set of papers for the parties. Accordingly, the delay in *inter partes* reexamination is magnified, when the patent owner supplementally responds. The potential for extension of the prosecution each time the patent owner files a supplemental patent owner response is unique to *inter partes* reexamination, and will not be permitted without sufficient cause having been shown.

The Office has been receiving supplemental patent owner responses purporting to meet the conditions of § 1.111(a)(2)(i)(F), which have resulted in undue delays in the proceedings, requiring the Office to evaluate whether such supplemental responses comply

with any of the provisions of §§ 1.111(a)(2)(i)(A) through (a)(2)(i)(F).

Furthermore, the reexamination statute gives the third party requester an absolute right to file comments on the patent owner’s response. Accordingly, the Office is forced to evaluate two sets of papers from each party, causing yet further delay. In addition, the Office has seen patent owners file multiple supplemental responses causing dramatic delays in the administrative process (a typical situation is discussed in the next paragraph). While it is not uncommon for adverse parties to want to have “the last word,” the Office needs to set reasonable limits in order to control the administrative process, as well as comply with the statutory mandate for special dispatch in *inter partes* reexamination.

A typical situation is as follows. A patent owner wishes to respond to the requester’s comments on the patent owner’s response, and the patent owner thus files a supplemental response to address the requester’s comments. The requester may then choose to supplementally comment on patent owner’s supplemental response. Multiple iterations of patent owner responses addressing requester comments followed by further requester comments may then take place. The Office has experienced this situation in a number of proceedings, and the Office has needed to address each set of supplemental responses and supplemental comments—to first ascertain why patent owner filed the supplemental response and the equities presented by the parties, and then to decide whether to either close from public view (or return) the papers, or to enter them, and the Office must perform all the attendant processing. The present rule revision requires the patent owner to state, up front, the basis for seeking entry of a supplemental response, and it gives the requester an opportunity for rebuttal. This provides the Office with a mechanism for immediately weeding out any inappropriate supplemental response. Also, the requirement that patent owner provide the basis for entry will alert the patent owner to situations where no appropriate basis exists, such that patent owner will realize it should not make a submission. This will save (a) the patent owner the effort of making the submission, only to have it returned, (b) the requester the effort of making a supplemental comment, only to have it returned, and (c) the Office from having to expend the resources to address and process the submissions.

It is further to be noted that, in a litigation setting, the courts have established controls to limit the extent

of briefing, and the Office is likewise justified in limiting the parties’ responses to an Office action. Moreover, regardless of how many patent owner responses are permitted, it should be noted that the *inter partes* reexamination statute (35 U.S.C. 314) specifically contemplates that the requester has the right to respond to every patent owner submission, thereby giving the requester “the last word.” There is no intent in the statute to provide the patent owner with a chance to file a “last word” supplemental response to address the requester’s comments. Indeed, 35 U.S.C. 314(b)(2) ends the iteration of addressing the Office action by stating that “the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner’s response thereto.” As a final point, 35 U.S.C. 314(b)(1) provides the patent owner with the ability to respond to what the Office action says, not to the requester’s comments, and that continues to be available in the proceeding. Such is the statutory framework for providing prosecution by parties, while, at the same time, maintaining the requirement for special dispatch in the *inter partes* reexamination proceeding.

Proposal II has been adopted in revised form—an explanation is required as to why the supplemental response “was not” presented together with the original response to the Office action, rather than the proposed explanation of why the supplemental response “could not” have been presented.

### III. Comments as to Proposal III of the Revisions and Technical Corrections Proposed Rule

The second part of Proposal III, as set forth in the Revisions and Technical Corrections, was to simplify the filing of reexamination papers by providing for the use of “Mail Stop *Ex Parte* Reexam” for the filing of all *ex parte* reexamination papers (not just *ex parte* reexamination requests), other than certain correspondence to the Office of the General Counsel. No issues were raised by the comments as to that part of Proposal III.

The first part of Proposal III, as set forth in the Revisions and Technical Corrections proposed rule, was to designate the correspondence address for the patent as the correct address for all notices, official letters, and other communications for patent owners in a reexamination. It was that part of Proposal III that was commented upon.



1. One of the corporate comments supports the Proposal II rule change as to the designation of the correspondence address for the patent as the correct address for communications for patent owners in a reexamination, and recognizes the need to ease the burden on the Office in corresponding with patent owners in reexamination proceedings. Commenter, however, strongly encourages the Office to promptly post all correspondence electronically since “the correspondence address will be the only address used for mailings by the Office” under the proposal, “and no double correspondence will be sent.”

In response, all correspondence for a reexamination proceeding is in fact promptly posted electronically in the Office’s Image File Wrapper (IFW) for that proceeding, and is available via the Office’s public PAIR (Patent Application Information Retrieval) system. One of the benefits resulting from the Office’s somewhat recent creation of the Central Reexamination Unit is that reexamination correspondence is now mailed by a central unit dedicated solely to reexamination, which is in a position to ensure prompt entry of correspondence into the IFW.

2. The intellectual property organization comment likewise supports Proposal III. Commenter, however, identifies a concern that “the Office states that it will automatically change the correspondence address to that of the patent file.” Commenter suggests that, despite the rule revision, the correspondence address of the patent owner and any third party, should be maintained by the Office as “whatever correspondence address has been established,” and “a specific requirement of the patent owner to comply with the adopted regulation” should be made. This suggestion is presented to reduce “the risk of termination of the prosecution of a reexamination proceeding by sending correspondence to the patent owner at an address different than has already been established in the pending reexamination proceeding.”

This suggestion is not adopted; however, for *inter partes* reexamination proceedings, an accommodation will be made by the Office as is discussed below. Retaining the old attorney or agent of record register address as that of the patent owner’s correspondence address in the face of the rule change which mandates otherwise can only lead to uncertainty and confusion. This would result in a situation where some correspondence addresses are done one way and others are done another way. Third party requesters would be placed

in a quandary as to which address to serve. The same would be true for parties serving papers under MPEP 2286 or 2686 (notifications of existence of prior or concurrent proceedings). Retaining the address used for correspondence in the reexamination proceeding different from that used during the pendency of applications (as well as post-grant correspondence in patents maturing from such applications) will also make it difficult for members of the public reviewing the patent and its associated files and materials. Furthermore, searching out all the instances where the correspondence address would be in need of a change in view of the “adopted regulation” in order to send the suggested “specific requirement of the patent owner to comply with the adopted regulation” would place a huge and undue burden on Office resources. The *ex parte* reexamination data captured by the Office through Sept. 30, 2006, will be used to illustrate this. There are 1,944 *ex parte* reexamination proceedings pending. The Office would need to check to see which of the 8,252 total *ex parte* reexamination proceedings are the 1,944 pending reexamination proceedings. Then, Notices would need to be sent out for all of them, and the Office would also need to do the PALM work. For *inter partes* reexamination proceedings, however, there are approximately 200 pending proceedings. Accordingly, the Office intends to issue, in the near future, a notice in all pending *inter partes* reexamination proceedings, notifying the parties about this rule change and the patent owner’s correct address. It is to be noted that requester paper service on patent owner occurs far more often in *inter partes* reexamination, than such service on patent owner in *ex parte* reexamination. Thus, the major impact of commenter’s concern in this area has been addressed.

IV. Proposal IV has been adopted as it was proposed—none of the comments took issue with any aspect of this proposal.

#### Section-by-Section Discussion

*Section 1.1:* Section 1.1(c)(1) is amended to provide for use of “Mail Stop *Ex Parte* Reexam” for the filing of all *ex parte* reexamination papers other than certain correspondence to the Office of the General Counsel. Paragraph (c)(1) of § 1.1(c) has been changed from its prior reading “Requests for *ex parte* reexamination (original request papers only) should be additionally marked ‘Mail Stop *Ex Parte* Reexam.’” to now read “Requests for *ex parte* reexamination (original request papers)

and all subsequent *ex parte* reexamination correspondence filed in the Office, other than correspondence to the Office of the General Counsel pursuant to § 1.1(a)(3) and § 1.302(c), should be additionally marked ‘Mail Stop *Ex Parte* Reexam.’”

*Section 1.8:* Section 1.8(b) is amended to recite “In the event that correspondence is considered timely filed by being mailed or transmitted in accordance with paragraph (a) of this section, but not received in the \* \* \* Office after a reasonable amount of time has elapsed from the time of mailing or transmitting of the correspondence \* \* \* or the prosecution of a reexamination proceeding is terminated pursuant to § 1.550(d) or § 1.957(b) or limited pursuant to § 1.957(c), or a requester paper is refused consideration pursuant to § 1.957(a), the correspondence will be considered timely if the party who forwarded such correspondence:”. The language “the prosecution of a reexamination proceeding is terminated” (for § 1.550(d) and § 1.957(b)) clarifies that the reexamination proceeding is not concluded under § 1.550(d) or § 1.957(b), but rather, the prosecution of the reexamination is terminated. The language “or the prosecution of a reexamination proceeding is \* \* \* limited pursuant to § 1.957(c)” more appropriately sets forth that the § 1.8(b) remedy is applied to avoid the § 1.957(c) consequences of a patent owner’s failure to respond in an *inter partes* reexamination. The language “or a requester paper is refused consideration pursuant to § 1.957(a)” more appropriately sets forth that the § 1.8(b) remedy is applied to avoid the § 1.957(a) consequences of a failure to file a requester paper in an *inter partes* reexamination.

*Section 1.17:* Sections 1.17(l) and (m) are revised to clarify that a reexamination proceeding is not concluded under § 1.550(d) or § 1.957(b), but rather, the prosecution of a reexamination is terminated under § 1.550(d) or § 1.957(b), or reexamination prosecution is limited under § 1.957(c). No change is made as to the fee amounts.

*Section 1.33:* Section 1.33(c) is revised to replace the prior recitation of “the attorney or agent of record (see § 1.32(b)) in the patent file at the address listed on the register of patent attorneys and agents maintained pursuant to §§ 11.5 and 11.11 or, if no attorney or agent is of record, to the patent owner or owners at the address or addresses of record” with “correspondence address.” As § 1.33(c) is now revised, all notices, official

letters, and other communications for the patent owner or owners in a reexamination proceeding will be directed to the correspondence address for the patent. As previously discussed, a change to the correspondence address may be filed with the Office during the enforceable life of the patent.

**Section 1.137:** Sections 1.137(a), (b), and (e) are amended to more appropriately set forth the § 1.550(d) and § 1.957(b) consequences of the patent owner's failure to make a required response. To do so, the introductory text of § 1.137(a) and § 1.137(b) is now revised to recite "a reexamination prosecution becoming terminated under §§ 1.550(d) or 1.957(b)" (emphasis added), rather than the previous recitation of "a reexamination proceeding becoming terminated under §§ 1.550(d) or 1.957(b)" (emphasis added). In § 1.137(e), "a terminated *ex parte* reexamination prosecution" and "a terminated *inter partes* reexamination prosecution or an *inter partes* reexamination limited as to further prosecution" are inserted in place of the previous recitation of "a terminated *ex parte* reexamination proceeding" and "a terminated *inter partes* reexamination proceeding," respectively.

Sections 1.137(a), (b) and (e) are amended to clarify that the reexamination proceedings under § 1.957(c) referred to in § 1.137 are limited as to further prosecution; the prosecution is not terminated. To make this clarification, the introductory text portions of § 1.137(a) and § 1.137(b) are revised to recite that the prosecution is "limited under § 1.957(c)," rather than "terminated." Section 1.137(e) is revised to also refer to "revival" of "an *inter partes* reexamination limited as to further prosecution." The heading of § 1.137 is also revised to add "limited."

**Section 1.502:** Section 1.502 is amended to state that the "reexamination proceeding" is "concluded by the issuance and publication of a reexamination certificate." That is the point at which citations (having an entry right in the patent) that were filed after the order of *ex parte* reexamination will be placed in the patent file.

**Section 1.510:** Section 1.510(f) is revised to change § 1.34(a) to § 1.34. This change updates the section to conform to the revision of § 1.34 made in *Revision of Power of Attorney and Assignment Practice*, 69 FR 29865 (May 26, 2004) (final rule).

**Section 1.530:** Section 1.530(a) is amended to provide for the disposition of the unauthorized paper being explicitly set forth in the § 1.530(a), *i.e.*,

the paper will be returned or discarded at the Office's option. This explicit recitation of the Office's discretion was proposed at the last line of the discussion of § 1.530(a) in the Section-by-Section analysis of the proposed rule making notice and was not commented on. If the unauthorized paper was scanned into the electronic Image File Wrapper (IFW) for the reexamination proceeding, and thus, the paper cannot be physically returned or discarded, then the unauthorized paper entry will be marked "closed" and "non-public," and it will not constitute part of the record of the reexamination proceeding. Such papers will not display in the Office's image file wrapper that is made available, via PAIR, to the public, patent owners, and representatives of patent owners.

Section 1.530(k) is amended to state that proposed amendments in *ex parte* or *inter partes* reexamination are not effective until the reexamination certificate is both "issued and published" to conform § 1.530(k) with the language of 35 U.S.C. 307. Sections 1.530(l)(1) and (l)(2) are amended to delete the references to "1.977" and add instead "1.997." This corrects the prior reference to non-existent § 1.977. In addition, § 1.530(l)(2) is revised to recite that the reexamination proceeding is "concluded" by a reexamination certificate under § 1.570 or § 1.997, as opposed to "terminated," which applies to a reexamination prosecution.

**Section 1.550:** Section 1.550(d) is amended to recite that "[i]f the patent owner fails to file a timely and appropriate response to any Office action or any written statement of an interview required under § 1.560(b), the prosecution in the *ex parte* reexamination proceeding will be a terminated prosecution, and the Director will proceed to issue and publish a certificate concluding the reexamination proceeding under § 1.570 \* \* \*." This makes it clear that the patent owner's failure to timely file a required response (or interview statement) will result in the "terminating of prosecution of the reexamination proceeding," but will not "conclude the reexamination proceeding." It is to be noted that the prosecution will be a terminated prosecution as of the day after the response was due and not timely filed. In this instance, the Notice of Intent to Issue Reexamination Certificate (NIRC) will be subsequently issued; however, it will not be the instrument that operates to terminate the prosecution, since that will have already automatically occurred upon the failure to respond. Further, "issued and published" is used

to conform § 1.550(d) to the language of 35 U.S.C. 307.

**Section 1.565:** Section 1.565(c) is amended to set forth that merged (consolidated) *ex parte* reexamination proceedings will result in the "issuance and publication" of a single certificate under § 1.570. As pointed out above, this tracks the statutory language. Section 1.565(d) is further amended to make it clear that the issuance of a reissue patent for a merged reissue-reexamination proceeding effects the conclusion of the reexamination proceeding. This is distinguished from the termination of the reexamination prosecution, as pointed out above. As a further technical change, "consolidated" in the prior version of § 1.565(c) is revised to now recite "merged," for consistency with the terminology used in § 1.565(d). There is no difference in the meaning of the two terms, and the use of different terms in the two subsections was confusing. In addition, in § 1.565(d), the prior recitation of "normally" is replaced by "usually" ("normally" was an inadvertent inappropriate choice of terminology). The same term ("usually") would be added to § 1.565(c). As was pointed out in the Notice of Proposed Rule Making, there are instances where the Office does not merge (consolidate) an ongoing *ex parte* reexamination proceeding with a subsequent reexamination or reissue proceeding, which are addressed on a case-by-case basis. The following examples are again set forth. If the prosecution in an ongoing *ex parte* reexamination proceeding has terminated (*e.g.*, a Notice of Intent to Issue Reexamination Certificate has issued), the *ex parte* reexamination proceedings will generally not be merged (consolidated) with a subsequent reexamination proceeding or reissue application. If an ongoing *ex parte* reexamination proceeding is ready for decision by the Board of Patent Appeals and Interferences, or is on appeal to the U.S. Court of Appeals for the Federal Circuit, it would be inefficient (and contrary to the statutory mandate for special dispatch in reexamination) to "pull back" the ongoing *ex parte* reexamination proceeding for merger with a subsequent reexamination proceeding or reissue application. As a final example, an ongoing *ex parte* reexamination proceeding might be directed to one set of claims for which a first accused infringer (with respect to the first set) has filed the ongoing request for reexamination. A later reexamination request might then be directed to a different set of claims for

which a second accused infringer (with respect to the second set) has filed the request. In this instance, where there are simply no issues in common, merger would serve only to delay the resolution of the first proceeding without providing any benefit to the public (this would run counter to the statutory mandate for "special dispatch" in reexamination proceedings). If reexamination is to act as an effective alternative to litigation, the ability to decide the question of whether to merge/consolidate based on the merits of a particular fact pattern must be, and is, reserved to the Office.

*Section 1.570:* The heading of § 1.570 and § 1.570(a) are amended to make it clear that the issuance and publication of the *ex parte* reexamination certificate "concludes" the reexamination "proceeding." The failure to timely respond, or the issuance of the NIRC, terminate prosecution, but do not conclude the reexamination proceeding. For consistency with the language of 35 U.S.C. 307, § 1.570, paragraphs (b) and (d), are amended to recite that the reexamination certificate is both "issued and published."

*Section 1.902:* Section 1.902 is amended to state that the "reexamination proceeding" is "concluded by the issuance and publication of a reexamination certificate." That is the point at which citations (having a right to entry in the patent) that were filed after the order of *inter partes* reexamination will be placed in the patent file.

*Section 1.915:* Section 1.915(c) is revised to change the prior recitation of "§ 1.34(a)" to § 1.34. This change updates the section to conform to the revision of § 1.34 made in *Revision of Power of Attorney and Assignment Practice*, 69 FR 29865 (May 26, 2004) (final rule).

*Section 1.923:* In the first sentence of § 1.923, the prior recitation of "§ 1.919" is changed to "§ 1.915," since it is § 1.915 that provides for the request; § 1.919 provides for the filing date of the request.

*Section 1.945:* Prior to the present revision, § 1.945 provided that "[t]he patent owner will be given at least thirty days to file a response to any Office action on the merits of the *inter partes* reexamination." Section 1.945 is now revised to address the filing of a supplemental response to an Office action. Any supplemental response to an Office action will be entered only where the supplemental response is accompanied by a showing of sufficient cause why the supplemental response should be entered. The showing of sufficient cause must provide: (1) A

detailed explanation of how the requirements of § 1.111(a)(2)(i) are satisfied; (2) an explanation of why the supplemental response was not presented together with the original response to the Office action; and (3) a compelling reason to enter the supplemental response.

Where the patent owner files a supplemental response to an Office action, the requester may file its comments under § 1.947 within 30 days after the date of service of the patent owner's supplemental response, in order to preserve requester's statutory comment right, in the event the Office exercises its discretion to enter the supplemental response. (The comments may address the merits of the proceeding and/or the adequacy of the showing of sufficient cause why the supplemental response should be entered.) If the requester fails to file comments, and the Office enters the supplemental response after 30 days from its filing, the requester will be statutorily barred from commenting at this stage, because, pursuant to 35 U.S.C. 314(b)(2), any requester comments filed after a patent owner response to an Office action must be filed "within 30 days after the date of service of the patent owner's response." If the requester files comments and the patent owner's supplemental response is not entered by the Office, then both the supplemental response, and any comments following that supplemental response, will either be returned to the parties or discarded as the Office chooses in its sole discretion. If the supplemental response and/or comments were scanned into the electronic Image File Wrapper (IFW) for the reexamination proceeding, and thus, the papers cannot be physically returned or discarded, then the supplemental response and/or comments entries will be marked "closed" and "non-public," and they will not constitute part of the record of the reexamination proceeding. Such papers will not display in the Office's image file wrapper that is made available, via PAIR, to the public, patent owners, and representatives of patent owners.

The decision on the sufficiency of the showing will not be issued until after receipt of requester comments under § 1.947 on the supplemental response, or the expiration of the 30-day period for requester comments (whichever comes first). The decision will be communicated to the parties either prior to, or with, the next Office action on the merits, as is deemed appropriate for the handling of the case.

A showing of sufficient cause will not be established by an explanation that the supplemental response is needed to address the requester's comments (on patent owner's response), and could not have been presented together with the original response because it was not known that requester would raise a particular point. The *inter partes* reexamination statute (35 U.S.C. 314) provides for the patent owner to respond to an Office action, and the requester to comment on that response. There is no intent in the statute to provide the patent owner with a chance to file a supplemental response to address the requester's comments. Indeed, 35 U.S.C. 314(b)(2) ends the iteration of addressing the Office action by stating that "the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response thereto."

As pointed out above, no corresponding rule revision is needed in *ex parte* reexamination, since there is no third party requester comment on a patent owner response (that a patent owner will wish to address), and § 1.111(a)(2) adequately deals with patent owner supplemental responses.

*Section 1.953:* The prior version of § 1.953(b) stated: "Any appeal by the parties shall be conducted in accordance with §§ 1.959–1.983." This reference to §§ 1.959 through 1.983 is not correct, as some of the referenced rules had been deleted and others added. Instead of revising the incorrect reference, the entire sentence has been deleted as being out of place in § 1.953, which is not directed to the appeal process, but is rather directed to an Office action notifying parties of the right to appeal. Section 1.953(c) is amended to state that if a notice of appeal is not timely filed after a Right of Appeal Notice (RAN), then "prosecution in the *inter partes* reexamination proceeding will be terminated." This will not, however, conclude the reexamination proceeding.

*Section 1.956:* The subheading preceding § 1.956 is amended to refer to termination of the prosecution of the reexamination, rather than the termination or conclusion of the reexamination proceeding, since termination of the prosecution of the reexamination is what the sections that follow address. It is § 1.997 (Issuance of *Inter Partes* Reexamination Certificate) that deals with conclusion of the reexamination proceeding.

*Section 1.957:* Section 1.957(b) is amended to recite that "[i]f no claims are found patentable, and the patent owner fails to file a timely and

appropriate response \* \* \*, the prosecution in the reexamination proceeding will be a *terminated prosecution*, and the Director will proceed to issue and publish a certificate concluding the reexamination proceeding under § 1.997 \* \* \*.” (Emphasis added). This makes it clear that the patent owner’s failure to timely file a required response, where no claim has been found patentable, will result in the terminating of prosecution of the reexamination proceeding, but will not conclude the reexamination proceeding. As previously discussed for *ex parte* reexamination, the prosecution will be a terminated prosecution as of the day after the response was due and not timely filed. In this instance, the NIRC will be subsequently issued; however, it will not be the instrument that operates to terminate the prosecution, since that will have already automatically occurred upon the failure to respond. Also, “issued and published” is used to conform § 1.550(d) to the language of 35 U.S.C. 316.

*Section 1.958:* The heading of § 1.958 is amended to refer to the termination of prosecution of the reexamination, rather than the termination or conclusion of the reexamination proceeding, since that is what the rule addresses.

*Section 1.979:* Section 1.979(b) is amended to recite that “[u]pon judgment in the appeal before the Board of Patent Appeals and Interferences, if no further appeal has been taken (§ 1.983), the prosecution in the *inter partes* reexamination proceeding will be terminated and the Director will issue and publish a certificate under § 1.997 concluding the proceeding.” This makes it clear that the termination of an appeal for an *inter partes* reexamination proceeding will result in a terminating of prosecution of the reexamination proceeding if no other appeal is present, but will not conclude the reexamination proceeding. Rather, it is the reexamination certificate under § 1.997 that concludes the reexamination proceeding.

In addition, the title of § 1.979 is amended to add “appeal” before proceedings, and thus recite “Return of Jurisdiction on the Board of Patent Appeals and Interferences; termination of appeal proceedings.” This makes it clear that it is the appeal proceedings that are terminated; the reexamination proceeding is not terminated or concluded.

*Section 1.983:* In § 1.983(a), the prior incorrect reference to § 1.979(e) is changed to recite the correct reference: § 41.81.

*Section 1.989:* Section 1.989(a) is amended to set forth that consolidated (merged) reexamination proceedings containing an *inter partes* reexamination proceeding will result in the issuance and publication of a single certificate under § 1.570. As pointed out above, this tracks the statutory language.

*Section 1.991:* In § 1.991, “and 41.60–41.81” is added to the previously recited “§§ 1.902 through 1.997,” since §§ 41.60–41.81 provide the requester with participation rights. Further, § 1.991 is amended to make it clear that the issuance of a reissue patent for a merged reissue-reexamination proceeding effects the conclusion of the reexamination proceeding. This is distinguished from the termination of the reexamination prosecution, as pointed out above.

*Section 1.997:* Both the heading of § 1.997 and § 1.997(a) are amended to make it clear that the issuance and publication of the *inter partes* reexamination certificate effects the conclusion of the reexamination proceeding. The failure to timely respond, or the issuance of the NIRC, does not conclude the reexamination proceeding. Section 1.997(a) is also revised to make its language consistent with that of § 1.570(a). For consistency with the language of 35 U.S.C. 316, Section 1.997, paragraphs (b) and (d), are amended to recite that the reexamination certificate is both issued and published.

*Section 41.4:* Paragraph (b) of § 41.4 is amended to (1) recite to “a reexamination prosecution becoming terminated under §§ 1.550(d) or 1.957(b)” rather than the prior recitation of “a reexamination proceeding becoming terminated under §§ 1.550(d) or 1.957(b),” and (2) refer to the prosecution as being “limited” under § 1.957(c) rather than “terminated” under § 1.957(c). These changes track those made in § 1.137; see the discussion of § 1.137.

#### Rule Making Considerations

*Regulatory Flexibility Act:* For the reasons set forth herein, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that the changes implemented in this notice will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b). The Office has issued between about 150,000 and 190,000 patents each year during the last five fiscal years. The Office receives fewer than 100 requests for *inter partes* reexamination each year. The principal

impact of the changes in this final rule is to prohibit supplemental patent owner responses to an Office action in an *inter partes* reexamination without a showing of sufficient cause.

The change in this final rule to prohibit supplemental patent owner responses to an Office action in an *inter partes* reexamination without a showing of sufficient cause will not have a significant economic impact on a substantial number of small entities for two reasons. First, assuming that all patentees in an *inter partes* reexamination are small entities and that all would have submitted a supplemental response without sufficient cause, the change would impact fewer than 100 small entity patentees each year. Second, there is no petition or other fee for the showing of sufficient cause that would be necessary under the implemented change for a supplemental patent owner’s response to an Office action in an *inter partes* reexamination.

Therefore, the changes implemented in this notice will not have a significant economic impact on a substantial number of small entities.

*Executive Order 13132:* This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

*Executive Order 12866:* This rule making has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

*Paperwork Reduction Act:* This notice involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The collections of information involved in this notice have been reviewed and previously approved by OMB under OMB control numbers: 0651–0027, 0651–0031, 0651–0033, and 0651–0035. The United States Patent and Trademark Office is not resubmitting the other information collections listed above to OMB for its review and approval because the changes in this notice do not affect the information collection requirements associated with the information collections under these OMB control numbers. The principal impacts of the changes in this final rule are to: (1) Prohibit supplemental patent owner responses to an Office action in an *inter partes* reexamination without a showing of sufficient cause, (2) designate the correspondence address for the patent as the correspondence address for all communications for patent owners in *ex*

parte and inter partes reexaminations, and (3) provide for the use of a single "mail stop" address for the filing of substantially all ex parte reexamination papers (as is already the case for inter partes reexamination papers).

Comments are invited on: (1) Whether the collection of information is necessary for proper performance of the functions of the agency; (2) the accuracy of the agency's estimate of the burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information to respondents.

Interested persons are requested to send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, NW., Washington, DC 20503, Attention: Desk Officer for the Patent and Trademark Office; and (2) Robert A. Clarke, Acting Director, Office of Patent Legal Administration, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses, and Biologics.

37 CFR Part 41

Administrative practice and procedure, Inventions and patents, Lawyers.

■ For the reasons set forth in the preamble, 37 CFR parts 1 and 41 are amended as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

■ 1. The authority citation for 37 CFR part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2), unless otherwise noted.

■ 2. Section 1.1 is amended by revising paragraph (c)(1) to read as follows:

§ 1.1 Addresses for non-trademark correspondence with the United States Patent and Trademark Office.

\* \* \* \* \*

(c) \* \* \* (1) Requests for ex parte reexamination (original request papers) and all subsequent ex parte reexamination correspondence filed in the Office, other than correspondence to the Office of the General Counsel pursuant to § 1.1(a)(3) and § 1.302(c), should be additionally marked "Mail Stop Ex Parte Reexam."

\* \* \* \* \*

■ 3. Section 1.8 is amended by revising the introductory text of paragraph (b) to read as follows:

§ 1.8 Certificate of mailing or transmission.

\* \* \* \* \*

(b) In the event that correspondence is considered timely filed by being mailed or transmitted in accordance with paragraph (a) of this section, but not received in the U.S. Patent and Trademark Office after a reasonable amount of time has elapsed from the time of mailing or transmitting of the correspondence, or after the application is held to be abandoned, or after the proceeding is dismissed or decided with prejudice, or the prosecution of a reexamination proceeding is terminated pursuant to § 1.550(d) or § 1.957(b) or limited pursuant to § 1.957(c), or a requester paper is refused consideration pursuant to § 1.957(a), the correspondence will be considered timely if the party who forwarded such correspondence:

\* \* \* \* \*

■ 4. Section 1.17 is amended by revising paragraphs (l) and (m) to read as follows:

§ 1.17 Patent application and reexamination processing fees.

\* \* \* \* \*

(l) For filing a petition for the revival of an unavoidably abandoned application under 35 U.S.C. 111, 133, 364, or 371, for the unavoidably delayed payment of the issue fee under 35 U.S.C. 151, or for the revival of an unavoidably terminated or limited reexamination prosecution under 35 U.S.C. 133 (§ 1.137(a)):

By a small entity (§ 1.27(a))—\$250.00. By other than a small entity—\$500.00.

(m) For filing a petition for the revival of an unintentionally abandoned application, for the unintentionally delayed payment of the fee for issuing a patent, or for the revival of an unintentionally terminated or limited reexamination prosecution under 35 U.S.C. 41(a)(7) (§ 1.137(b)):

By a small entity (§ 1.27(a))—\$750.00. By other than a small entity—\$1,500.00.

\* \* \* \* \*

■ 5. Section 1.33 is amended by revising paragraph (c) to read as follows:

§ 1.33 Correspondence respecting patent applications, reexamination proceedings, and other proceedings.

\* \* \* \* \*

(c) All notices, official letters, and other communications for the patent owner or owners in a reexamination proceeding will be directed to the correspondence address. Amendments and other papers filed in a reexamination proceeding on behalf of the patent owner must be signed by the patent owner, or if there is more than one owner by all the owners, or by an attorney or agent of record in the patent file, or by a registered attorney or agent not of record who acts in a representative capacity under the provisions of § 1.34. Double correspondence with the patent owner or owners and the patent owner's attorney or agent, or with more than one attorney or agent, will not be undertaken.

\* \* \* \* \*

■ 6. Section 1.137 is amended by revising its heading, the introductory text of paragraph (a), the introductory text of paragraph (b), and paragraph (e) to read as follows:

§ 1.137 Revival of abandoned application, terminated or limited reexamination prosecution, or lapsed patent.

(a) Unavoidable. If the delay in reply by applicant or patent owner was unavoidable, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by:

\* \* \* \* \*

(b) Unintentional. If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by:

\* \* \* \* \*

(e) Request for reconsideration. Any request for reconsideration or review of a decision refusing to revive an abandoned application, a terminated or limited reexamination prosecution, or

lapsed patent upon petition filed pursuant to this section, to be considered timely, must be filed within two months of the decision refusing to revive or within such time as set in the decision. Unless a decision indicates otherwise, this time period may be extended under:

(1) The provisions of § 1.136 for an abandoned application or lapsed patent;

(2) The provisions of § 1.550(c) for a terminated *ex parte* reexamination prosecution, where the *ex parte* reexamination was filed under § 1.510; or

(3) The provisions of § 1.956 for a terminated *inter partes* reexamination prosecution or an *inter partes* reexamination limited as to further prosecution, where the *inter partes* reexamination was filed under § 1.913.

\* \* \* \* \*

■ 7. Section 1.502 is revised to read as follows:

**§ 1.502 Processing of prior art citations during an *ex parte* reexamination proceeding.**

Citations by the patent owner under § 1.555 and by an *ex parte* reexamination requester under either § 1.510 or § 1.535 will be entered in the reexamination file during a reexamination proceeding. The entry in the patent file of citations submitted after the date of an order to reexamine pursuant to § 1.525 by persons other than the patent owner, or an *ex parte* reexamination requester under either § 1.510 or § 1.535, will be delayed until the reexamination proceeding has been concluded by the issuance and publication of a reexamination certificate. See § 1.902 for processing of prior art citations in patent and reexamination files during an *inter partes* reexamination proceeding filed under § 1.913.

■ 8. Section 1.510 is amended by revising paragraph (f) to read as follows:

**§ 1.510 Request for *ex parte* reexamination.**

\* \* \* \* \*

(f) If a request is filed by an attorney or agent identifying another party on whose behalf the request is being filed, the attorney or agent must have a power of attorney from that party or be acting in a representative capacity pursuant to § 1.34.

■ 9. Section 1.530 is amended by revising paragraphs (a), (k) and (l) to read as follows:

**§ 1.530 Statement by patent owner in *ex parte* reexamination; amendment by patent owner in *ex parte* or *inter partes* reexamination; inventorship change in *ex parte* or *inter partes* reexamination.**

(a) Except as provided in § 1.510(e), no statement or other response by the patent owner in an *ex parte* reexamination proceeding shall be filed prior to the determinations made in accordance with § 1.515 or § 1.520. If a premature statement or other response is filed by the patent owner, it will not be acknowledged or considered in making the determination, and it will be returned or discarded (at the Office's option).

\* \* \* \* \*

(k) Amendments not effective until certificate. Although the Office actions will treat proposed amendments as though they have been entered, the proposed amendments will not be effective until the reexamination certificate is issued and published.

(l) Correction of inventorship in an *ex parte* or *inter partes* reexamination proceeding.

(1) When it appears in a patent being reexamined that the correct inventor or inventors were not named through error without deceptive intention on the part of the actual inventor or inventors, the Director may, on petition of all the parties set forth in § 1.324(b)(1)–(3), including the assignees, and satisfactory proof of the facts and payment of the fee set forth in § 1.20(b), or on order of a court before which such matter is called in question, include in the reexamination certificate to be issued under § 1.570 or § 1.997 an amendment naming only the actual inventor or inventors. The petition must be submitted as part of the reexamination proceeding and must satisfy the requirements of § 1.324.

(2) Notwithstanding paragraph (1)(1) of this section, if a petition to correct inventorship satisfying the requirements of § 1.324 is filed in a reexamination proceeding, and the reexamination proceeding is concluded other than by a reexamination certificate under § 1.570 or § 1.997, a certificate of correction indicating the change of inventorship stated in the petition will be issued upon request by the patentee.

■ 10. Section 1.550 is amended by revising paragraph (d) to read as follows:

**§ 1.550 Conduct of *ex parte* reexamination proceedings.**

\* \* \* \* \*

(d) If the patent owner fails to file a timely and appropriate response to any Office action or any written statement of an interview required under § 1.560(b),

the prosecution in the *ex parte* reexamination proceeding will be a terminated prosecution, and the Director will proceed to issue and publish a certificate concluding the reexamination proceeding under § 1.570 in accordance with the last action of the Office.

\* \* \* \* \*

■ 11. Section 1.565 is amended by revising paragraphs (c) and (d) to read as follows:

**§ 1.565 Concurrent office proceedings which include an *ex parte* reexamination proceeding.**

\* \* \* \* \*

(c) If *ex parte* reexamination is ordered while a prior *ex parte* reexamination proceeding is pending and prosecution in the prior *ex parte* reexamination proceeding has not been terminated, the *ex parte* reexamination proceedings will usually be merged and result in the issuance and publication of a single certificate under § 1.570. For merger of *inter partes* reexamination proceedings, see § 1.989(a). For merger of *ex parte* reexamination and *inter partes* reexamination proceedings, see § 1.989(b).

(d) If a reissue application and an *ex parte* reexamination proceeding on which an order pursuant to § 1.525 has been mailed are pending concurrently on a patent, a decision will usually be made to merge the two proceedings or to suspend one of the two proceedings. Where merger of a reissue application and an *ex parte* reexamination proceeding is ordered, the merged examination will be conducted in accordance with §§ 1.171 through 1.179, and the patent owner will be required to place and maintain the same claims in the reissue application and the *ex parte* reexamination proceeding during the pendency of the merged proceeding. The examiner's actions and responses by the patent owner in a merged proceeding will apply to both the reissue application and the *ex parte* reexamination proceeding and will be physically entered into both files. Any *ex parte* reexamination proceeding merged with a reissue application shall be concluded by the grant of the reissued patent. For merger of a reissue application and an *inter partes* reexamination, see § 1.991.

\* \* \* \* \*

■ 12. Section 1.570 is amended by revising its heading and paragraphs (a), (b) and (d), to read as follows:

**§ 1.570 Issuance and publication of ex parte reexamination certificate concludes ex parte reexamination proceeding.**

(a) To conclude an *ex parte* reexamination proceeding, the Director will issue and publish an *ex parte* reexamination certificate in accordance with 35 U.S.C. 307 setting forth the results of the *ex parte* reexamination proceeding and the content of the patent following the *ex parte* reexamination proceeding.

(b) An *ex parte* reexamination certificate will be issued and published in each patent in which an *ex parte* reexamination proceeding has been ordered under § 1.525 and has not been merged with any *inter partes* reexamination proceeding pursuant to § 1.989(a). Any statutory disclaimer filed by the patent owner will be made part of the *ex parte* reexamination certificate.

\* \* \* \* \*

(d) If an *ex parte* reexamination certificate has been issued and published which cancels all of the claims of the patent, no further Office proceedings will be conducted with that patent or any reissue applications or any reexamination requests relating thereto.

\* \* \* \* \*

■ 13. Section 1.902 is revised to read as follows:

**§ 1.902 Processing of prior art citations during an inter partes reexamination proceeding.**

Citations by the patent owner in accordance with § 1.933 and by an *inter partes* reexamination third party requester under § 1.915 or § 1.948 will be entered in the *inter partes* reexamination file. The entry in the patent file of other citations submitted after the date of an order for reexamination pursuant to § 1.931 by persons other than the patent owner, or the third party requester under either § 1.913 or § 1.948, will be delayed until the *inter partes* reexamination proceeding has been concluded by the issuance and publication of a reexamination certificate. See § 1.502 for processing of prior art citations in patent and reexamination files during an *ex parte* reexamination proceeding filed under § 1.510.

■ 14. Section 1.915 is amended by revising paragraph (c) to read as follows:

**§ 1.915 Content of request for inter partes reexamination.**

\* \* \* \* \*

(c) If an *inter partes* request is filed by an attorney or agent identifying another party on whose behalf the request is being filed, the attorney or agent must have a power of attorney from that party

or be acting in a representative capacity pursuant to § 1.34.

\* \* \* \* \*

■ 15. Section 1.923 is revised to read as follows:

**§ 1.923 Examiner's determination on the request for inter partes reexamination.**

Within three months following the filing date of a request for *inter partes* reexamination under § 1.915, the examiner will consider the request and determine whether or not a substantial new question of patentability affecting any claim of the patent is raised by the request and the prior art citation. The examiner's determination will be based on the claims in effect at the time of the determination, will become a part of the official file of the patent, and will be mailed to the patent owner at the address as provided for in § 1.33(c) and to the third party requester. If the examiner determines that no substantial new question of patentability is present, the examiner shall refuse the request and shall not order *inter partes* reexamination.

■ 16. Section 1.945 is revised to read as follows:

**§ 1.945 Response to Office action by patent owner in inter partes reexamination.**

(a) The patent owner will be given at least thirty days to file a response to any Office action on the merits of the *inter partes* reexamination.

(b) Any supplemental response to the Office action will be entered only where the supplemental response is accompanied by a showing of sufficient cause why the supplemental response should be entered. The showing of sufficient cause must include:

(1) An explanation of how the requirements of § 1.111(a)(2)(i) are satisfied;

(2) An explanation of why the supplemental response was not presented together with the original response to the Office action; and

(3) A compelling reason to enter the supplemental response.

■ 17. Section 1.953 is amended by revising paragraphs (b) and (c) to read as follows:

**§ 1.953 Examiner's Right of Appeal Notice in inter partes reexamination.**

\* \* \* \* \*

(b) Expedited Right of Appeal Notice: At any time after the patent owner's response to the initial Office action on the merits in an *inter partes* reexamination, the patent owner and all third party requesters may stipulate that the issues are appropriate for a final action, which would include a final rejection and/or a final determination

favorable to patentability, and may request the issuance of a Right of Appeal Notice. The request must have the concurrence of the patent owner and all third party requesters present in the proceeding and must identify all of the appealable issues and the positions of the patent owner and all third party requesters on those issues. If the examiner determines that no other issues are present or should be raised, a Right of Appeal Notice limited to the identified issues shall be issued.

(c) The Right of Appeal Notice shall be a final action, which comprises a final rejection setting forth each ground of rejection and/or final decision favorable to patentability including each determination not to make a proposed rejection, an identification of the status of each claim, and the reasons for decisions favorable to patentability and/or the grounds of rejection for each claim. No amendment can be made in response to the Right of Appeal Notice. The Right of Appeal Notice shall set a one-month time period for either party to appeal. If no notice of appeal is filed, prosecution in the *inter partes* reexamination proceeding will be terminated, and the Director will proceed to issue and publish a certificate under § 1.997 in accordance with the Right of Appeal Notice.

■ 18. The undesignated center heading immediately preceding § 1.956 is revised to read as follows:

**Extensions of Time, Terminating of Reexamination Prosecution, and Petitions To Revive in Inter Partes Reexamination**

■ 19. Section 1.957 is amended by revising paragraph (b) to read as follows:

**§ 1.957 Failure to file a timely, appropriate or complete response or comment in inter partes reexamination.**

\* \* \* \* \*

(b) If no claims are found patentable, and the patent owner fails to file a timely and appropriate response in an *inter partes* reexamination proceeding, the prosecution in the reexamination proceeding will be a terminated prosecution and the Director will proceed to issue and publish a certificate concluding the reexamination proceeding under § 1.997 in accordance with the last action of the Office.

\* \* \* \* \*

■ 20. Section 1.958 is amended by revising its heading to read as follows:

**§ 1.958 Petition to revive inter partes reexamination prosecution terminated for lack of patent owner response.**

\* \* \* \* \*



■ 21. Section 1.979 is amended by revising its heading and paragraph (b) to read as follows:

**§ 1.979 Return of Jurisdiction from the Board of Patent Appeals and Interferences; termination of appeal proceedings.**

\* \* \* \* \*

(b) Upon judgment in the appeal before the Board of Patent Appeals and Interferences, if no further appeal has been taken (§ 1.983), the prosecution in the *inter partes* reexamination proceeding will be terminated and the Director will issue and publish a certificate under § 1.997 concluding the proceeding. If an appeal to the U.S. Court of Appeals for the Federal Circuit has been filed, that appeal is considered terminated when the mandate is issued by the Court.

■ 22. Section 1.983 is amended by revising paragraph (a) to read as follows:

**§ 1.983 Appeal to the United States Court of Appeals for the Federal Circuit in *inter partes* reexamination.**

(a) The patent owner or third party requester in an *inter partes* reexamination proceeding who is a party to an appeal to the Board of Patent Appeals and Interferences and who is dissatisfied with the decision of the Board of Patent Appeals and Interferences may, subject to § 41.81, appeal to the U.S. Court of Appeals for the Federal Circuit and may be a party to any appeal thereto taken from a reexamination decision of the Board of Patent Appeals and Interferences.

\* \* \* \* \*

■ 23. Section 1.989 is amended by revising paragraph (a) to read as follows:

**§ 1.989 Merger of concurrent reexamination proceedings.**

(a) If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance and publication of a single reexamination certificate under § 1.997.

\* \* \* \* \*

■ 24. Section 1.991 is revised to read as follows:

**§ 1.991 Merger of concurrent reissue application and *inter partes* reexamination proceeding.**

If a reissue application and an *inter partes* reexamination proceeding on which an order pursuant to § 1.931 has been mailed are pending concurrently

on a patent, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger of a reissue application and an *inter partes* reexamination proceeding is ordered, the merged proceeding will be conducted in accordance with §§ 1.171 through 1.179, and the patent owner will be required to place and maintain the same claims in the reissue application and the *inter partes* reexamination proceeding during the pendency of the merged proceeding. In a merged proceeding the third party requester may participate to the extent provided under §§ 1.902 through 1.997 and 41.60 through 41.81, except that such participation shall be limited to issues within the scope of *inter partes* reexamination. The examiner's actions and any responses by the patent owner or third party requester in a merged proceeding will apply to both the reissue application and the *inter partes* reexamination proceeding and be physically entered into both files. Any *inter partes* reexamination proceeding merged with a reissue application shall be concluded by the grant of the reissued patent.

■ 25. Section 1.997 is amended by revising its heading and paragraphs (a), (b), and (d) to read as follows:

**§ 1.997 Issuance and publication of *inter partes* reexamination certificate concludes *inter partes* reexamination proceeding.**

(a) To conclude an *inter partes* reexamination proceeding, the Director will issue and publish an *inter partes* reexamination certificate in accordance with 35 U.S.C. 316 setting forth the results of the *inter partes* reexamination proceeding and the content of the patent following the *inter partes* reexamination proceeding.

(b) A certificate will be issued and published in each patent in which an *inter partes* reexamination proceeding has been ordered under § 1.931. Any statutory disclaimer filed by the patent owner will be made part of the certificate.

\* \* \* \* \*

(d) If a certificate has been issued and published which cancels all of the claims of the patent, no further Office proceedings will be conducted with that patent or any reissue applications or any reexamination requests relating thereto.

\* \* \* \* \*

**PART 41—PRACTICE BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

■ 26. The authority citation for 37 CFR part 41 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), 3(a)(2)(A), 21, 23, 32, 41, 134, 135.

■ 27. Section 41.4 is amended by revising paragraph (b) to read as follows:

**§ 41.4 Timeliness.**

\* \* \* \* \*

(b) *Late filings.* (1) A late filing that results in either an application becoming abandoned or a reexamination prosecution becoming terminated under §§ 1.550(d) or 1.957(b) of this title or limited under § 1.957(c) of this title may be revived as set forth in § 1.137 of this title.

(2) A late filing that does not result in either an application becoming abandoned or a reexamination prosecution becoming terminated under §§ 1.550(d) or 1.957(b) of this title or limited under § 1.957(c) of this title will be excused upon a showing of excusable neglect or a Board determination that consideration on the merits would be in the interest of justice.

\* \* \* \* \*

Dated: April 9, 2007.

**Jon W. Dudas,**

*Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.*

[FR Doc. E7-7202 Filed 4-13-07; 8:45 am]

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**DEPARTMENT OF COMMERCE**

**Patent and Trademark Office**

**37 CFR Parts 2 and 7**

[Docket No.: PTO-T-2007-0005]

RIN 0651-AC11

**Correspondence With the Madrid Processing Unit of the United States Patent and Trademark Office**

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTION:** Final rule.

**SUMMARY:** The United States Patent and Trademark Office (Office) revises the rules of practice to change the address for correspondence with the Madrid Processing Unit of the Office. The Office relocated to Alexandria, Virginia, in 2004, and hereby changes the address for correspondence with the Office relating to filings pursuant to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks to an Alexandria, Virginia address.

**DATES:** *Effective Date:* The changes in this final rule are effective April 16, 2007.