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OFFICE OF PETITIONS

In re Application of	:	
Richard S. Lister	:	
Application No. 08/692,201	:	ON PETITION
Filed: August 5, 1996	:	
Attorney Docket No. LISR.001U	:	

This is a decision on the Renewed Petition Under 37 CFR 1.181, filed February 13, 2012. This petition is being treated as a request under 37 CFR 1.181 that the Director exercise his supervisory authority and overturn the decision of the Director, Technology Center 3700 (Technology Center Director), dated December 12, 2012, which refused to withdraw the outstanding Office action of October 3, 2011 and issue a notice of allowance.

The petition to overturn the decision of the Technology Center Director dated August 23, 2010, is **DENIED**[1].

RELEVANT BACKGROUND

A decision by the United States Court of Appeals for the Federal Circuit was issued September 22, 2009. This decision vacated the Board of Appeals decision (July 22, 2008) and remanded the application for further proceedings.

A non-final Office action was mailed April 1, 2011. This action included rejections of all pending claims (21-25) under 35 USC 101 and 35 USC 103.

A response to the non-final Office action was filed September 6, 2011.

On September 6, 2011, a petition to the Technology Center Director was filed under 37 CFR 1.181 to withdraw the April 1, 2011 Office action and issue a Notice of Allowance. This petition was dismissed in a decision mailed September 15, 2011.

A final Office action was mailed October 3, 2011.

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[1] This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

A response to the final Office action was filed December 5, 2011.

A petition to the Technology Center Director was filed December 5, 2011 under 37 CFR 1.181 to withdraw the claim rejections in the final Office action of October 3, 2011 and issue a notice of allowance. This petition was denied in a decision mailed December 12, 2011.

The instant petition was filed February 13, 2012.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

37 CFR 1.181(a) states in part:

> (a) Petition may be taken to the Director:
>
> (1) From any action or requirement of any examiner in the ex parte prosecution of an application, or in ex parte or inter partes prosecution of a reexamination proceeding which is not subject to appeal to the Board of Patent Appeals and Interferences or to the court;
>
> (2) In cases in which a statute or the rules specify that the matter is to be determined directly by or reviewed by the Director; and
>
> (3) To invoke the supervisory authority of the Director in appropriate circumstances. For petitions involving action of the Board of Patent Appeals and Interferences, see § 41.3 of this title.

MPEP 1201 states in part:

> **1201 [R-3] Introduction**
>
> The United States Patent and Trademark Office (Office) in administering the Patent Laws makes many decisions of a substantive nature which the applicant may feel deny him or her the patent protection to which he or she is entitled. The differences of opinion on such matters can be justly resolved only by prescribing and following judicial procedures. Where the differences of opinion concern the denial of patent claims because of prior art or other patentability issues, the questions thereby raised are said to relate to the merits, and appeal procedure within the Office and to the courts has long been provided by statute (35 U.S.C. 134).
>
> The line of demarcation between appealable matters for the Board of Patent Appeals and Interferences (Board) and petitionable matters for the Director of the U.S. Patent and Trademark Office (Director) should be carefully observed. The Board will not ordinarily hear a question that should be decided by the Director on petition, and the Director will not ordinarily entertain a petition where the question presented is a matter appealable to the Board.

MPEP 706(I) states in part:

> **I. UNIFORM APPLICATION OF THE PATENTABILITY STANDARD**
>
> The standards of patentability applied in the examination of claims must be the same throughout the Office. In every art, whether it be considered "complex," "newly developed," "crowded," or "competitive," all of the requirements for patentability (e.g., novelty, usefulness and unobviousness, as provided in 35 U.S.C. 101, 102, and 103) must be met before a claim is allowed.
>
> An application should not be allowed, unless and until issues pertinent to patentability have been raised and resolved in the course of examination and prosecution, since otherwise the resultant patent would not justify the statutory presumption of validity (35 U.S.C. 282), nor would it "strictly adhere" to the requirements laid down by Congress in the 1952 Act as interpreted by the Supreme Court. The standard to be applied in all cases is the "preponderance of the evidence" test. In other words, an examiner should reject a claim if, in view of the prior art and evidence of record, it is more likely than not that the claim is unpatentable.

37 CFR 1.104(c)(1) states:

> **§ 1.104 Nature of examination.**
>
> (c) Rejection of claims.
> (1) If the invention is not considered patentable, or not considered patentable as claimed, the claims, or those considered unpatentable will be rejected.

OPINION

Petitioner requests that the rejections set forth in the final rejection of October 3, 2011 be withdrawn and a notice of allowance issued on the pending claims. Petitioner acknowledges the difference between procedural deficiencies and substantive deficiencies of the final rejection and addresses only the procedural deficiencies in this petition. Petitioner's argument of procedural deficiencies is based on the alleged prolonged prosecution which is in violation of the Administrative Procedure Act and other patent rules and regulations. At the time of the final rejection, mailed October 3, 2011, the examiner determined the claims of record were not patentable and set forth rejections under 35 USC 101 and 35 USC 103. MPEP 706(I) and 37 CFR 1.104(c)(1) make it clear that claims will not be allowed if they are considered unpatentable (as provided in 35 USC 101, 102 and 103). The record indicates the examiner does not consider the claims patentable under 35 USC 101 and 103. Prolonged prosecution does not override the finding of unpatentability. As noted by the Technology Center Director in her decision of December 12, 2011, any delay may be addressed in a request for patent term adjustment if the claims are ultimately found allowable.

The USPTO's reviewing courts have specifically held that even a court decision reversing a rejection does not preclude further examination of the application by the USPTO subsequent to examination provided for in 35 U.S.C. §§ 131 and 132 and the BPAI and court review provided for in 35 U.S.C. §§ 134 and 141. See Jeffrey Mfg. Co. v Kingsland, 179 F.2d 35, 83 USPQ 494 (D.C. Cir. 1949), see also In re Gould, 673 F.2d 1385, 1386, 213 USPQ 628, 629 (CCPA 1982) (USPTO can always reopen prosecution in an application under an ex parte court appeal once it regains jurisdiction over the application); In re Arkley, 455 F.2d 586, 589, 172 USPQ 524, 527 (CCPA 1972) (the USPTO is free to make such other rejections as it consider appropriate subsequent to a court decision reversing a rejection); In re Fisher, 448 F.2d 1406, 1407, 171 USPQ 292, 293 (CCPA 1971) (reversal of rejection does not mandate issuance of a patent); In re Ruschig, 379 F.2d 990, 993, 154 USPQ 118, 121 (CCPA 1967) (subsequent to a court decision reversing a rejection, the USPTO may reopen prosecution and reconsider previously withdrawn rejections that are not inconsistent with the decision reversing the rejection); In re Citron, 326 F.2d 418, 418-19, 140 USPQ 220, 221 (CCPA 1964) (following a decision reversing a rejection of claims, the USPTO has not only the right but the duty to reject claims deemed unpatentable over new references). Accordingly, it is well established that if there is any substantial, reasonable ground within the knowledge or cognizance of the Director why the application should not issue, the Director has the authority, much less the duty, to refuse to issue the application. See In re Drawbaugh, 9 App. D.C. 219, 240 (D.C. Cir. 1896). Petitioner's argument with regards to procedural deficiencies in making a rejection of the claims is thus not well taken.

Petitioner cites 35 USC 3(a)(2)(A) as providing support for the Director to override the decision of an examiner under appropriate circumstances. However, no circumstance is evident in the instant application where it is necessary for the Director to override the rejections set forth in the October 3, 2011 final rejection. As noted above, any substantive issues with the rejections in the final-rejection would be addressed before the Board of Patent Appeals and Interferences. Petitioner also argues that the Director has the authority to instruct examiners to disregard prior art references under appropriate circumstances and cites examples under 37 CFR 1.97 (improperly submitted prior art statements) and 37 CFR 1.99 (third party submissions). However, neither 37 CFR 1.97 or 1.99 apply in this situation. Petitioner has provided no proper circumstance for the Director to order the examiner to disregard references.

It follows that the Technology Center Director did not clearly err in upholding the rejections in the final rejection. Petitioners' contention that the rejections were procedurally in error is without merit.

DECISION

In regard to the improper rejections of claims 21-25 in the final rejection of October 3, 201, a review of the record indicates that the Technology Center Director did not abuse her discretion or act in an arbitrary and capricious manner in the petition decision of December 12, 2011. The record establishes that the Technology Center Director had a reasonable basis to support her findings and conclusion.

The petition is granted to the extent that the decision of the Technology Center Director of December 12, 2011 has been reviewed, but is denied with respect to making any changes therein.

The petition is denied.

Telephone inquires concerning this decision should be directed to Carl Friedman at (571) 272-6842.

Andrew Hirshfeld
Deputy Commissioner for
Patent Examination Policy

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