Written comments concerning reexamination rule matters will be available for public inspection on October 2, 1995, in Room 520 of Crystal Park One, 2011 Crystal Drive, Arlington, Virginia.

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SUPPLEMENTARY INFORMATION:

Background

This proposed rulemaking sets forth distinct procedures directed towards determining and improving the quality and reliability of United States patents. The procedures are proposed to provide for the expanded reexamination of patents as proposed in H.R. 1732.

Discussion of General Issues Involved

The proposals are in response to H.R. 1782 which resulted from suggestions and comments to the Administration by the public, bar groups, and the August 1992 Advisory Commission on Patent Law Reform suggesting more participation in the reexamination proceeding by third party requesters. Under the rules proposed herein, third party requesters will have greater opportunity to participate in reexamination proceedings in keeping with the spirit and intent of the proposed law. At the same time, participation will be limited to minimize the costs and other effects of reexamination requests on patentees.

If H.R. 1732 is amended during the legislative process, the final rules will comply with this legislation as enacted. If H.R. 1732 is not enacted, the proposed rules for expanded reexamination of patents would be withdrawn.

Because reexamination filed before the proposed law takes effect will continue to be governed by 37 CFR 1.501–1.570, to avoid confusion between the new and old rules the newly proposed reexamination rules have been numbered 37 CFR 1.901– 1.997.

Regarding the reexamination fee, 35 U.S.C. 41(d) requires the Commissioner to set the fee for reexamination at a level which will recover the estimated average cost to the Office. The estimated average cost is \$4,500 per patent owner requested reexamination and \$11,000 for third party requested reexaminations. The difference in price takes into account the estimate that the examiner will spend twice the amount

of time examining a case where a third party requester is present and additional costs incurred during the appellate stages incident to additional processing steps required in the third party proceedings.

Discussion of the Major Specific Issues Involved

The proposed rules relating to reexamination proceedings are directed to the procedures set forth in proposed Chapter 30 of Title 35 of the United States Code (35 U.S.C. 301–307). This proposed Chapter provides for the citation of prior art in patents, filing of requests for reexamination, decisions on such requests, reexamination and appeal from reexamination decisions, and the issuance of a certificate at the termination of the reexamination proceedings.

Section 1.4 is proposed to be amended so that paragraph (a)(2) includes the reexamination §§ 1.901–1.997.

Section 1.6 is proposed to be amended so that paragraph (d)(5) includes § 1.913, which related to the exception of the use of facsimile transmission for filing the request for reexamination.

Section 1.11 is proposed to be amended so that paragraph (c), which relates to reexaminations at the initiative of the Commissioner, includes the reference to reexamination § 1.929.

Section 1.17 is proposed to be amended so that paragraph (l) reflects the fact that in the case of reexaminations filed after January 1, 1996, petitions for revival of a reexamination proceeding terminated for an unavoidable failure to respond require the fees of \$55.00 for a small entity and \$110.00 for other than small entity. Also, § 1.17 is proposed to be amended so that paragraph (m) reflects the fact that in the case of reexaminations filed after January 1. 1996, petitions for revival of a reexamination proceeding terminated for an unintentional failure to respond require the fees of \$605.00 for a small entity and \$1,1210.00 for other than small entity. The Office has proposed an increase in the fee set by § 1.17(m). See "Revision of Patent and Trademark Fees" published in the Federal Register at 60 FR 27934 (May 26, 1995) and in the Patent and Trademark Office Official Gazette at 1174 Off. Gaz. Pat. Office 134 (May 30, 1995).

Section 1.20 is proposed to be amended so that paragraph (c) reflects the fact that in the case of reexaminations filed after January 1, 1996, there is a two tier fee scale in which patent owner requesters will be charged \$4,500 and third party requesters will be charged \$11,000.

Section 1.25 is proposed to be amended so that paragraph (b), which relates to requests for reexaminations, includes the reference to reexamination § 1.913.

Section 1.26 is proposed to be amended so as to reflect that in the case of reexaminations filed after January 1, 1996, a refund of seventy-five percent (75%) of the fee paid for filing the request for reexamination will be made to the requester.

Section 1.112 is proposed to be amended so that the last sentence reflects the fact that in the case of reexamination filed after January 1, 1996, the examiner may close prosecution prior to making the action final. Section 1.113, which provides for a final rejection or action in a reexamination proceeding, is proposed to be amended so that its application is limited to applicants and patent owners in reexaminations filed before January 1, 1996. For reexaminations filed after January 1, 1996, the new reexamination rules will apply.

Section 1.115, which provides for amendments by the patent owner in a reexamination proceeding, is proposed to be amended so that its application is limited to applicants and patent owners in reexaminations filed before January 1, 1996. For reexaminations filed after January 1, 1996, the new reexamination rules will apply.

Section 1.116, which provides for amendments after final action in reexamination proceedings, is proposed to be amended so that its application is permissible after an action closing prosecution for patent owners in reexaminations filed on or after January 1, 1996. Also, for clarity, the rule is amended to provide that for reexaminations filed after January 1, 1996, no appeal is permitted until a right of appeal notice has been issued.

Section 1.136, which provides for filing of timely responses with petitions and fee for extension of time and extensions of time for cause, is amended to make it clear that for reexamination proceedings filed on or after January 1, 1996, § 1.957 is controlling for extensions of time.

Section 1.137, which provides for revival of abandoned applications or lapsed patents, is proposed to be amended to change the title and add new paragraphs (g) and (h). Paragraph (f) is proposed to be utilized for provisional applications. Paragraph (g) is proposed to be added to provide for revival of unavoidably terminated proceedings for reexamination proceedings filed before January 1,