

**BRIEF FOR *AMICUS CURIAE***  
**DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**SUPPORTING REVERSAL-IN-PART**

---

---

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

---

Appeal No. 2008-1016

---

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED  
and ARISTOCRAT TECHNOLOGIES,  
Plaintiffs-Appellants,

v.

INTERNATIONAL GAME TECHNOLOGY and IGT,  
Defendants-Appellees.

---

Appeal from the United States District Court for the Northern District of  
California in case no. 06-CV-3717, Judge Martin J. Jenkins.

---

Of Counsel:  
ANTHONY J. STEINMEYER  
Civil Division  
United States Department of Justice  
Washington, D.C. 20530  
(202) 514-3388

JAMES A. TOUPIN  
General Counsel

STEPHEN WALSH  
Acting Solicitor

MARY L. KELLY  
JOSEPH G. PICCOLO  
Associate Solicitors  
P.O. Box 15667  
Arlington, Virginia 22215  
(571) 272-9035  
*Attorneys for the Director of  
the United States Patent and  
Trademark Office*

December 13, 2007

---

Statute

35 U.S.C. § 41(a)(7) (1982):

On filing each petition for the revival of an unintentionally abandoned application for a patent or for the unintentionally delayed payment of the fee for issuing each patent, \$500  
unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be \$50.

35 U.S.C. § 41(a)(7) (2007):

On filing each petition for the revival of an unintentionally abandoned application for a patent, for the unintentionally delayed payment of the fee for issuing each patent, or for an unintentionally delayed response by the patent owner in any reexamination proceeding, \$1,210  
unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be \$110.

## TABLE OF CONTENTS

	<u>Page</u>
I. STATEMENT OF THE DIRECTOR'S INTEREST .....	1
II. STATEMENT OF THE ISSUE .....	2
III. STATEMENT OF THE CASE .....	3
IV. STATEMENT OF THE FACTS .....	3
A. Brief History of Section 41(a)(7) .....	3
1. Congress Amended The Patent Act In 1982 To Permit The Revival Of Abandoned Patent Applications Under The Unintentional Delay Standard .....	4
2. The USPTO Concurrently Interpreted Section 41(a)(7) And Promulgated Rules To Administer The Statute .....	5
B. The Revival Of Aristocrat's Patent-In-Suit .....	6
C. The District Court's Decision .....	7
V. SUMMARY OF THE ARGUMENT .....	8
VI. ARGUMENT .....	10
A. Section 41(a)(7) Has Plain Language Providing Revival Of Abandoned Patent Applications Under Two Different Standards: Unintentional And Unavoidable .....	10
1. Section 41(a)(7) Allows Patent Applicants To Revive Abandoned Applications Under The Unintentional Delay Standard Or The Unavoidable Delay Standard .....	11
2. The USPTO's Contemporaneous Rulemaking Mirrors The Two Alternatives Of § 41(a)(7) .....	15

	<u>Page</u>
3. The District Court Committed Reversible Error By Ignoring The Plain Language Of § 41(a)(7) And Congress’s Clear Intent When Enacting The Statute.....	17
B. If The Plain Language Of § 41(a)(7) Is Deemed Ambiguous, The District Court Erred By Not Giving <i>Chevron</i> Deference To The USPTO’s Reasonable Interpretation Of Its Governing Statute.....	22
C. The USPTO’s Longstanding Regulations Concerning Unavoidable And Unintentional Abandonments Wholly Track Congress’s Statutory Scheme, And Are Thus Entitled To “Great Deference” .....	25
VII. CONCLUSION.....	32

## TABLE OF AUTHORITIES

	<u>Page</u>
<b>Cases</b>	
<i>Ambassador Div. of Florsheim Shoe v. U.S.</i> , 748 F.2d 1560 (Fed. Cir. 1984).....	27
<i>American Textile Mfrs. Inst. v. Donovan</i> , 452 U.S. 490 (1981).....	18
<i>BP Am. Prod. Co. v. Burton</i> , __ U.S. __, __, 127 S. Ct. 638 (2006).....	10
<i>Cathedral Candle Co. v. U.S. Int’l Trade Comm’n</i> , 400 F.3d 1352 (Fed. Cir. 2005).....	28
<i>Chemehuevi Tribe of Indians v. Fed. Power Comm’n</i> , 420 U.S. 395 (1975).....	30
<i>Chevron U.S.A., Inc. v. Natural Res. Def. Council, Inc.</i> , 467 U.S. 837 (1984).....	<i>passim</i>
<i>EEOC v. Assoc. Dry Goods Corp.</i> , 449 U.S. 590 (1981).....	30
<i>Garcia v. United States</i> , 469 U.S. 70 (1984).....	10, 12, 16
<i>Long Island Care at Home, Ltd. v. Coke</i> , __ U.S. __, __, 127 S.Ct. 2339 (2007).....	25, 26
<i>Matsushita Elec. Indus. Co. v. Epstein</i> , 516 U.S. 367 (1996).....	21
<i>Mercantile Nat. Bank v. Langdeau</i> , 371 U.S. 555 (1963).....	18
<i>Morganroth v. Quigg</i> , 885 F.2d 843 (Fed. Cir. 1989).....	18, 19
<i>Morton v. Mancari</i> , 417 U.S. 535 (1974) .....	21
<i>Morton v. Ruiz</i> , 415 U.S. 199 (1974).....	26

	<u>Page</u>
<i>NationsBank of North Carolina, N.A. v. Variable Annuity Life Ins. Co.</i> , 513 U.S. 251 (1995).....	22, 25
<i>Pesquera Mares Australes Ltda. v. United States</i> , 266 F.3d 1372 (Fed. Cir. 2001).....	28
<i>Red Lion Broad. Co. v. Fed. Commc'n Comm'n</i> , 395 U.S. 367 (1969).....	30
<i>Saxbe v. Bustos</i> , 419 U.S. 65 (1974).....	28, 31
<i>Smiley v. Citibank (South Dakota), N.A.</i> , 517 U.S. 735 (1996).....	27
<i>Sunshine Anthracite Coal Co. v. Adkins</i> , 310 U.S. 381 (1940).....	18
<i>SurAmerica de Aleaciones Laminadas, C.A. v. United States</i> , 966 F.2d 660 (Fed. Cir. 1992).....	24
<i>Tunik v. Merit Sys. Prot. Bd.</i> , 407 F.3d 1326 (Fed. Cir. 2005).....	27
<i>United States v. Clark</i> , 454 U.S. 555 (1982).....	28, 29, 20, 31
<i>United States v. Fed. Ins. Co.</i> , 805 F.2d 1012 (Fed. Cir. 1986).....	30
<i>United States v. Mead Corp.</i> , 533 U.S. 218 (2001).....	27
<i>United States v. Midwest Oil Co.</i> , 236 U.S. 459 (1915).....	28, 29
<i>United States v. Nat'l Ass'n of Sec. Dealers</i> , 422 U.S. 694 (1975).....	28, 29, 31
 <b>Statutes, Regulations &amp; Rules</b>	
5 U.S.C. § 553.....	28
28 U.S.C. § 1338.....	3

	<u>Page</u>
35 U.S.C. § 41 .....	4, 29
35 U.S.C. § 41(a)(7).....	<i>passim</i>
35 U.S.C. § 102(b).....	8
35 U.S.C. § 111.....	<i>passim</i>
35 U.S.C. § 132.....	19
35 U.S.C. § 133.....	<i>passim</i>
35 U.S.C. § 151.....	<i>passim</i>
35 U.S.C. § 305.....	17, 19, 23
35 U.S.C. § 371(d).....	<i>passim</i>
Pub. L. 98-622 (Nov. 8, 1984).....	30
Pub. L. 99-607 (Nov. 6, 1986).....	30
Pub. L. 102-204 (Dec. 10, 1991).....	30
Pub. L. 102-444 (Oct. 23, 1992).....	30
Pub. L. 103-465 (Dec. 8, 1994).....	20, 30
Pub. L. 105-358 (Nov. 10, 1998).....	30
Pub. L. 106-113 (Nov. 29, 1999).....	19, 30
Pub. L. 107-273 (Nov. 2, 2002).....	30
37 C.F.R. § 1.137.....	<i>passim</i>

	<u>Page</u>
37 C.F.R. § 1.137(b).....	7
37 C.F.R. § 1.17(l).....	6
37 C.F.R. § 1.17(m).....	6
37 C.F.R. § 1.317.....	16, 24
Fed. R. App. P. 29(a).....	1

**Other Authorities**

H.R. Rep. No. 97-542 (1982).....	15, 18, 24, 26
47 Fed. Reg. 33,086 (July 30, 1982).....	6
47 Fed. Reg. 41,272 (Sept. 17, 1982).....	<i>passim</i>
48 Fed. Reg. 2696 (Jan. 20, 1983).....	20, 21
1121 Off. Gaz. Pat. & Trademark Office 6 (Nov. 5, 1990).....	21
CHISUM ON PATENTS § 11.02[1][d][ii].....	18
CHISUM ON PATENTS § 11.03[2][b][vi][A].....	18

**BRIEF FOR *AMICUS CURIAE***  
**DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**SUPPORTING REVERSAL-IN-PART**

---

---

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

---

Appeal No. 2008-1016

---

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED  
and ARISTOCRAT TECHNOLOGIES,  
Plaintiffs-Appellants,

v.

INTERNATIONAL GAME TECHNOLOGY and IGT,  
Defendants-Appellees.

---

Appeal from the United States District Court for the Northern District of  
California in case no. 06-CV-3717, Judge Martin J. Jenkins.

---

**I. STATEMENT OF THE DIRECTOR'S INTEREST**

The Director of the United States Patent and Trademark Office (“USPTO”) is an officer of the United States and is filing as *amicus curiae* under the authority of Fed. R. App. P. 29(a). The Director does not support either party, but supports reversal of the statutory construction by the United States District Court for the Northern District of California (“District Court”) in the decision below.

The USPTO has a substantial interest in this case. This is an appeal from a decision holding that the USPTO does not have authority under 35 U.S.C. § 41(a)(7) to grant a petition to revive an abandoned patent application under the “unintentional” delay standard of that section. Over the past 25 years, the USPTO has revived approximately 73,000 unintentionally abandoned patent applications. Of these, about 56% have issued as patents. Importantly, the number of patents potentially affected by the District Court’s decision includes not only those patents that issued directly from applications revived under the unintentional delay standard, but also patents that claim priority to an application revived under this standard. Thus, if upheld, the number of potentially affected patents is quite large.

The USPTO has a strong interest in defending its interpretation of its governing statute, and its longstanding practice, upon which a generation of patent applicants have relied. The USPTO also believes that its brief will offer insights and perspectives unlikely to be provided by the parties.

## **II. STATEMENT OF THE ISSUE**

Whether the USPTO has had statutory authority pursuant to 35 U.S.C. § 41(a)(7) since 1982 to revive unintentionally abandoned patent applications regardless of the reasons for abandonment.

### III. STATEMENT OF THE CASE

This is an appeal from a decision in a patent infringement suit brought by the Appellant, Aristocrat Technologies (“Aristocrat”), in the United States District Court for the Northern District of California under 28 U.S.C. § 1338, against International Game Technology (“IGT”). *See* JA1-28<sup>1</sup>. As one of its affirmative defenses, IGT argued that one of Aristocrat’s patents-in-suit, U.S. Patent No. 7,056,215 B1 (“the ’215 patent”) was invalid because the application that issued as the ’215 patent had been improperly revived by the USPTO. Specifically, IGT argued that the USPTO lacked statutory authority to revive the application under the “unintentional” delay standard. JA8-9. The District Court agreed with IGT, and held that the USPTO’s revival was an abuse of discretion because it was not in accordance with the law. JA21. Accordingly, the District Court held the ’215 patent invalid because it was not lawfully revived. JA26.

### IV. STATEMENT OF THE FACTS

#### A. Brief History Of Section 41(a)(7)

To aid the Court in understanding the USPTO’s position, a brief history of § 41(a)(7) is provided.

---

<sup>1</sup> Citations to the Joint Appendix as “JA\_\_.”

**1. Congress Amended The Patent Act In 1982 To Permit The Revival Of Abandoned Patent Applications Under The Unintentional Delay Standard**

Prior to 1982, the only way that an abandoned patent application could be revived was under the “unavoidable” delay standard. Specifically, pre-1982, only two types of abandoned patent applications could be revived: (1) an application abandoned pursuant to 35 U.S.C. § 133, for failure to prosecute; and (2) an application abandoned pursuant to 35 U.S.C. § 151, for failure to timely pay the issue fee. Section 133 provided that, in the event of failure to respond to an outstanding agency action, a patent application would be deemed abandoned “unless it be shown to the satisfaction of the [Director] that such delay was unavoidable.” 35 U.S.C. § 133. Section 151 provided that, in the event of untimely issue fee payment, a late payment could be accepted if “the delay in payment is shown to have been unavoidable.” 35 U.S.C. § 151. Sections 133 and 151 have remained virtually unchanged since 1975.<sup>2</sup>

In 1982, the Patent Act was amended to provide fees for the revival of patent applications under the unintentional delay standard. 35 U.S.C. § 41. Specifically, § 41(a)(7) was amended in 1982 to provide a \$500 fee for the revival of an

---

<sup>2</sup> With the exception of an amendment in 1999 to strike out the word “Commissioner” and replace it with the word “Director,” § 133 has not been amended since first enacted in 1952, and § 151 has not been amended since 1975.

“unintentionally abandoned application for a patent” and an “unintentionally delayed payment of the fee for issuing each patent”:

The [Director] shall charge the following fees:

\* \* \*

*Revival fees.*— On filing each petition for the revival of an unintentionally abandoned application for a patent or for the unintentionally delayed payment of the fee for issuing each patent, \$500, unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be \$50.

35 U.S.C. § 41(a)(7) (1982) (emphasis added). Section 41(a)(7) also stated that the \$500 fee for reviving an unintentionally abandoned application would apply “unless the petition is filed under section 133 or 151 of this title [each of which refer to unavoidable delay], in which case the fee shall be \$50.” *Id.* Thus, newly-amended § 41(a)(7) had two alternatives: (1) the first alternative provides for the revival of patent applications under the unintentional delay standard; and (2) the second alternative provides for the revival of patent applications under the unavoidable delay standard.

## 2. The USPTO Concurrently Interpreted Section 41(a)(7) And Promulgated Rules To Administer The Statute

The USPTO interpreted the language of § 41(a)(7) regarding unintentional delay and Congress’s stated intent when it amended § 41(a)(7) to authorize the revival of patent applications that had been unintentionally abandoned. Consistent

with this interpretation, the USPTO promulgated rules to administer the revival of abandoned patent applications under the unintentional delay standard. In particular, the USPTO amended 37 C.F.R. § 1.137 to permit the revival of unintentionally abandoned patent applications, and established separate fee provisions for petitions filed under the unintentional and unavoidable delay standards, *i.e.*, 37 C.F.R. §§ 1.17(l) and (m), respectively. *See* 47 Fed. Reg. 33,086 (July 30, 1982); 47 Fed. Reg. 41,272 (Sept. 17, 1982).

**B. The Revival Of Aristocrat's Patent-In-Suit**

This case concerns, *inter alia*, the prosecution history of one of Aristocrat's patents related to slot machines: U.S. Patent No. 7,056,215 B1 ("the '215 patent"). The facts are recited in the District Court's decision. *See* JA1-28. The application from which the '215 patent issued claims priority back to an Australian provisional patent application filed on July 8, 1997. As permitted under the Paris Cooperative Treaty ("PCT"), Aristocrat filed an international application ("the PCT Application") based on its Australian provisional application one year later on July 8, 1998. Under the applicable rules, Aristocrat was required to file a U.S. national stage application based on its PCT Application by January 10, 2000. However, the USPTO did not receive Aristocrat's national stage filing fee until one

day after the deadline expired. Accordingly, USPTO deemed Aristocrat's application abandoned as of January 11, 2000.

Aristocrat petitioned the USPTO to revive Aristocrat's application pursuant to the "unintentional" delay standard of 37 C.F.R. § 1.137(b). On September 3, 2002, the USPTO granted Aristocrat's petition to revive Aristocrat's application under the unintentional delay standard, and the application eventually issued as the '215 patent on June 6, 2006.

### **C. The District Court's Decision**

The District Court held that patent applications that are abandoned pursuant to § 133 and § 371(d) may be revived only under the unavoidable delay standard. JA12. In the District Court's view, the plain language of § 133 and § 371(d) alone supports this construction because neither statute refers to "unintentional" delay, but instead states that an application "shall be regarded" as abandoned unless a delay is shown to be "unavoidable." JA11-12. To further support this construction, the District Court noted that § 111 was amended in 1994 to refer to both unintentional and unavoidable delays, but §§ 133 and 371(d) were not. JA12.

The District Court rejected Aristocrat's argument that § 41(a)(7) authorizes the revival of abandoned applications, finding that § 41(a)(7) is merely a fee

provision that does not alter §§ 133 and 371(d). JA14. According to the District Court, if Congress had intended to permit the revival of patent applications that became abandoned for failing to meet the requirements of §§ 133 and 371(d) under the unintentional delay standard, then Congress could have amended those sections to specifically refer to unintentional delay, as it had done with § 111 in 1994. JA15, n.14. Having determined that the unintentional delay standard could not apply, the District Court held that the USPTO abused its discretion in reviving the '215 patent because Aristocrat had not alleged or provided any facts to show unavoidable delay in its petition to revive. JA24. The District Court similarly held Aristocrat's other patent-in-suit, which issued from a continuation of the '215 patent, invalid because it could no longer claim priority to the '215's priority date and was, thus, anticipated under 35 U.S.C. § 102(b) by Aristocrat's PCT application. JA26.

#### **V. SUMMARY OF THE ARGUMENT**

35 U.S.C. § 41(a)(7) clearly authorizes the USPTO to permit the revival of unintentionally abandoned patent applications, whether abandoned for failing to meet the requirements of § 133 or § 371(d). The plain language of § 41(a)(7) shows that it has a two alternative structure: (1) a first alternative, which provides for the revival of patent applications under the unintentional delay standard; and

(2) a second alternative which provides for the revival of patent applications under the unavoidable delay standard. This interpretation is supported by the fact that, when it enacted § 41(a)(7), Congress expressly stated that it was establishing “two different fees” for administering two “different standards,” and that a petitioner could “choose” between these standards. There were no other provisions in Title 35 that permitted the revival of unintentionally abandoned patent applications when § 41(a)(7) was enacted in 1982. Accordingly, if § 41(a)(7) were as limited as the District Court held, then Congress was establishing a fee for a petition on which the USPTO had no authority to act. Instead, § 41(a)(7) itself authorized the alternative of revival for unintentional delay.

To the extent that any ambiguities or gaps exist between § 41(a)(7) and the other provisions of Title 35, the USPTO’s reasonable and contemporaneous interpretation of its governing statute is entitled to *Chevron* deference.

In contrast, the District Court’s analysis ignores the clear instructions Congress gave when enacting § 41(a)(7), and the framework of the Patent Act, both in 1982 and now. The District Court also erred by failing to give deference to the USPTO’s statutory interpretation and longstanding regulations, regulations used to revive approximately 73,000 patent applications over the past 25 years.

