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OFFICE OF PETITIONS

PETER J GORDON  
WOLF GREENFIELD & SACKS  
FEDERAL RESERVE PLAZA  
600 ATLANTIC AVENUE  
BOSTON MA 02210-2211

In re Patent No. 5,623,609 :  
Issue Date: April 22, 1997 :  
Application No. 08/300,929 : DECISION ON PETITION  
Filed: September 2, 1994 :  
Attorney Docket No. H0545.70000US00 :

This is a decision on the petition for reconsideration under 37 CFR 1.378(b), filed March 23, 2009, to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is DENIED. 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.

Procedural History:

- The above identified patent issued on April 22, 1997.
- The first maintenance fee was timely paid on September 18, 2000.
- The second maintenance fee could have been paid during the period from April 22, 2004 through October 22, 2004 without surcharge, or with a late payment surcharge during the period from October 23, 2004 through April 22, 2005.

- No second maintenance fee having been received, the patent expired on April 23, 2005.
- Patentee filed a petition under 37 CFR 1.378(b) on March 6, 2008, asserting that the failure to timely pay the second maintenance fee was unavoidable.
- The petition was dismissed in a decision mailed on January 29, 2009.

Relevant Statutes, Rules and Regulations:

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 C.F.R. § 1.378(b) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee must include:

- (1) The required maintenance fee set forth in §1.20(e) through (g);
- (2) The surcharge set forth in §1.20(i)(1); and
- (3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Evidence Presented in the first Petition:

1. Wolf, Greenfield, & Sacks, PC (hereinafter "Wolf Greenfield") is counsel of record for Patentee. Wolf Greenfield employed an outside vendor to effect maintenance fee payments. For the first maintenance fee, the vendor was Dennemeyer and Co. Ltd. Prior to the due date of the second maintenance fee, Wolf Greenfield changed vendors to Computer Packages, Inc. (hereinafter "CPI").

2. On August 2, 2004, the Patentee gave Wolf Greenfield instructions that it would be responsible for its own maintenance fee payments. Petitioner states that this was confirmed to CPI by e-mail on August 2, 2004. No copy of that e-mail was supplied with the first petition.

3. Sometime between August 2, 2004 and September 8, 2004, the Patentee indicated to Wolf Greenfield that it had changed its mind, and would have Wolf Greenfield attend to the maintenance fee.

4. On September 8, 2004, the Patentee gave instructions to Wolf Greenfield to pay the maintenance fee and submitted payment in the appropriate amount. On that same day, Wolf Greenfield, through its annuities manager Kelly Crawford, notified CPI that Wolf Greenfield and CPI would be responsible for the maintenance fee. Wolf Greenfield instructed CPI to make the payment if it was able to do so. If not, CPI should notify Wolf Greenfield, in which case Wolf Greenfield would make the payment online.

5. No payment was made, and the patent expired on April 23, 2005.

6. In late 2007, an internal audit was conducted by Wolf Greenfield, at which time it was discovered that the patent had expired.

7. As a result of an investigation conducted by Wolf Greenfield, it was learned that in response to the September 8, 2004 notification, CPI directed a communication to Crawford. At the time of filing the first petition, Wolf Greenfield had no record of having received a communication from CPI. It was believed that this communication took place via a phone conversation.

8. Petitioner stated that Crawford, who has since left Wolf Greenfield, had an "outstanding record of reliability for many years". In addition, petitioner was "not aware of any other instances in which either there was a miscommunication between

Ms. Crawford and CPI or in which CPI failed to indicate clear pay instructions".

Decision mailed January 21, 2009:

The decision mailed January 21, 2009 explained that the standard is not whether petitioner intended to pay the maintenance fee, but rather, whether the delay in paying the maintenance fee was unavoidable. The "unavoidable" delay standard required a showing of the steps taken to ensure the timely payment of the maintenance fee. The decision pointed out that there had not been such a showing with respect to the communication that apparently took place between CPI and Ms. Crawford. Delay resulting from a failure of communication between two parties does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). That both parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus their own obligation in the matter of payment of maintenance fees, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business.

Evidence Presented on Renewed Petition:

Petitioner states that additional investigation has revealed new facts concerning the expired patent. According to petitioner, the communication directed to Crawford from CPI referred to in "7" above occurred via e-mail. On September 9, 2008, Howard Jablecki of CPI sent Crawford an e-mail, stating that the client/Assignee was "blocked" in CPI's system, preventing CPI from accepting Crawford's instruction to pay the maintenance fee. However, the e-mail stated that CPI could unblock the client if Wolf Greenfield assumed responsibility for all of the client's annuities (in other words, CPI only operated on a "per-client" basis, not a "per-matter" basis). The e-mail suggested that Crawford should pay the maintenance fee online if it was the case that Wolf Greenfield was not assuming the responsibility for all of the client's maintenance fees.

According to Crawford, she has no recollection of having received the e-mail from Jablecki. Wolf Greenfield has found no record of the e-mail. A copy of the sent e-mail was located in CPI's records and supplied on renewed petition.

Opinion:

§ 1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is

considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word unavoidable' . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present. In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), *aff'd*, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Moreover, delay resulting from the lack of knowledge or improper application of the patent statutes, rules of practice or the Manual of Patent Examining Procedure, however, does not constitute "unavoidable" delay. See id.; Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (1891).

The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). Specifically, a petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the

meaning of 35 USC 133. Haines v. Quigg, 673 F. Supp. at 317; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (Comm'r Pat. 1891).

In addition, delay resulting from a lack of proper communication between a patentee and that patentee's representative as to the responsibility for scheduling and payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). See In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a failure in communication between a registered practitioner and his client regarding a maintenance fee payment is not unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). See Ray v. Lehman, 55 F. 3d 606, 34 USPQ2d 1786, (Fed. Cir. 1995). That both parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus, their own obligation in this matter, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business.

The new evidence presented on renewed petition has been carefully considered, but is not persuasive. The reasons set forth in the prior decision are reiterated. Moreover, the lack of any billing from CPI to Wolf Greenfield regarding the second maintenance fee, or a confirmation that it was paid, would have prompted a prudent person to make sooner inquiry of the status of the patent and fee payment from CPI, or even the USPTO.

It is well established that failure in communications between a client and his or her attorney does not constitute unavoidable delay. Here, it would appear that a misunderstanding occurred over who would be responsible for tracking and paying the maintenance fee. The failure in communication is not considered to be unavoidable error. Delay resulting from a lack of proper communication between an applicant and his representative as to the responsibility for timely filing a communication with the USPTO does not constitute unavoidable delay. See In re Kim, id. Moreover, the USPTO is not the proper forum for resolving a dispute between a patent owner and his representative as to who bore responsibility for paying a maintenance fee. Ray, id.

#### Conclusion:

The prior decision which refused to accept under 37 C.F.R. § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated

reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 C.F.R. § 1.378(b). As stated in 37 C.F.R. § 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the \$1880 submitted by petitioner for the maintenance fee and surcharge are being refunded under separate cover. The \$400 fee for requesting reconsideration is not refundable.

Telephone inquiries concerning this matter may be directed to Petitions Attorney Cliff Congo at (571)272-3207.

A handwritten signature in black ink, appearing to read "Charles Pearson", with a long horizontal line extending to the right.

Charles Pearson  
Director  
Office of Petitions