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MAILED
MAR 06 2012
OFFICE OF PETITIONS

In re Patent of Janes :
Patent No. 6,754,297 :
Issue Date: June 22, 2004 : Decision on Petition
Application No. 10/229,889 :
Filing Date: August 28, 2002 :
Atty. Docket No. 041858-0276951 :

This is a decision on the renewed petition under 37 CFR 1.378(b) filed November 21, 2011, which requests reinstatement of the 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. The terms of 37 CFR 1.378(e) *do not apply* to this decision and no further consideration will be given to this matter.

Since this patent will not be reinstated, the \$700 surcharge and the \$490 submitted for the 3.5 year maintenance fee will be credited back to the credit card used to pay the fee. The \$400 fee for requesting reconsideration is not refundable.

Background

The patent issued June 22, 2004. The 3.5 year maintenance fee could have been paid from June 22, 2007, to Monday, December 24, 2007, or with a surcharge from December 25, 2007, to June 22, 2008. The fee was not timely paid. As a result, the patent expired on June 23, 2008.

A petition under 37 CFR 1.378(b) was filed April 13, 2011.

A decision dismissing the petition was mailed June 8, 2011.

A request for reconsideration was filed August 1, 2011, and supplemented August 5, 2011.

The Office issued a Request for Information on September 20, 2011.

The instant response to the Request for Information was filed November 21, 2011.

Applicable Statutes and Regulation

35 U.S.C. 41(b) states in pertinent part that, "Unless payment of the applicable maintenance fee is received . . . on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period."

35 U.S.C. 41(c)(1) states that, "The Director may accept the payment of any maintenance fee . . . after the six month grace period if **the delay is shown to the satisfaction of the Director to have been unavoidable.**" (emphasis added)

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

A showing that . . . reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee . . . 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.

Opinion

Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.

A grantable petition under 37 CFR 1.378(b) must be accompanied by a showing to the satisfaction of the Director that the entire delay in paying the required maintenance fee from the due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable.

In order for a party to show unavoidable delay, the party must show "reasonable care was taken to ensure that the maintenance fee would be promptly paid."¹ The level of "reasonable care" required to be shown is the same as the level of "care or diligence . . . generally used and observed by prudent and careful men in relation to their most important business."² When determining if a period of delay has been shown to have been unavoidable, the Office will take "all the facts and circumstances into account" and will decide each petition "on a case-by-case basis."³

35 U.S.C. 41(c)(1) states, with emphasis added, "The Director may accept the payment of any maintenance fee . . . after the six month grace period if the delay is *shown to the satisfaction of the Director* to have been unavoidable." Since the statute requires a "showing" from petitioner,

¹ 37 CFR 1.378(b).

² *In re Mattulath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912). See also *Ray v. Lehman*, 55 F.3d 606, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995) (citations omitted) ("[I]n determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person.").

³ *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982).

petitioner bears the burden of proof. Therefore, it is not enough that the delay was unavoidable; petitioner must provide sufficient evidence to “show” that the delay was unavoidable.

Facts

Petitioner is Imaging 3, Inc. (“Imaging 3”), the owner of the patent. Dean Janes is the President and CEO of Imaging 3 and is the sole inventor.

The patent issued June 22, 2004.

The 3.5 year maintenance fee could have been paid from June 22, 2007, to Monday, December 24, 2007, or with a surcharge from December 25, 2007, to Monday, June 22, 2008. The fee was not timely paid. As a result, the patent expired on June 22, 2008.

A petition under 37 CFR 1.378(b) signed by Janes was filed April 13, 2011. The April 13, 2011 petition asserts it was impossible for Petitioner to know the 3.5 year maintenance fee was due because the Office did not send a maintenance fee reminder to Petitioner. Specifically, the petition states,

Shortly after filing this patent and its continuation patent we had insufficient funds to maintain our relationship with ... Pillsbury Winthrop. Subsequently, we have had no communication with this firm. We were not aware that maintenance fees were due and since your correspondence regarding the payment of maintenance fees was sent to Pillsbury Winthrop and not to Imaging3 it was impossible to know fees were even due for this patent.

The Office mailed a decision dismissing the April 13, 2011 petition on June 8, 2011.

Petitioner filed a request for reconsideration on August 1, 2011. The request asserts Janes entered the due date for the maintenance fee into a Microsoft Outlook calendaring system and, as a backup, instructed employee Byron Monterroso to inform Janes when the fee became due. Specifically, the petition states,

Dean Janes ... placed a reminder in his Outlook calendar system to remind him to pay the maintenance fee.... As a backup to his calendaring system, Dean Janes instructed [Monterroso] to remind him to pay the maintenance fee.⁴

Janes’ declaration filed with the petition on August 1, 2011, states,

I noted that the maintenance fee ... would be due in approximately 3.5 years and placed a reminder in my Outlook calendaring system. As a backup to [my] calendaring system, I instructed [Monterroso] to remind me to pay the maintenance fee when the maintenance fee became due in the late summer or fall of 2007.⁵

⁴ August 1, 2011 Request for Reconsideration, p. 3.

⁵ August 1, 2011 Janes Declaration, ¶¶ 4-5.

The declaration by Dean Janes filed with the August 1, 2011 request identifies two reasons the actions taken by Dean Janes did not result in Janes being reminded to pay the maintenance fee. The declaration states,

I have changed computers at least four times in the last seven years (from July 2004 to July 201) and twice the computer had to be rebuilt from scratch, therefore losing the data in [my] Outlook calendaring system....

[Monterroso's] replacement did not provide me with [a] reminder [when the fee became due].⁶

The Office mailed a Request for Information on September 20, 2011. The Office requested information pertaining to the calendaring system, which included the following information:

- (1) The date the Outlook data involving the 3.5 year maintenance fee was lost,
- (2) All steps, if any, taken by Janes or any other party to recover lost data, and
- (3) All steps, if any, taken by Janes to enter data into a new docketing system in order to track the maintenance fee due date upon loss of the data.

The instant response to the Request for Information was filed November 21, 2011. Although Janes' prior declaration states Janes entered the maintenance fee due date into the Outlook system. Janes' November 21, 2011 declaration does not include such an assertion. Instead, the new declaration states Janes asked Monterroso to enter the relevant date information into the Outlook system. Specifically, Janes states,

I told Byron Monterroso on August 3, 2004 to remind me one month in advance of any maintenance fee payment due date for [the patent].... I also told him to pass these instructions on to any successor to his position if he was to leave Imaging3, Inc.... I asked Byron Monterroso to enter such important date information into the Outlook calendaring system.⁷

Janes does not identify his rationale for explicitly instructing Monterroso to inform any person who ever replaces Monterroso of the need to remind Janes of the need to pay the maintenance fee.

Janes asserts he told Monterroso to remind him "via email, voicemail, note or personal contact."⁸ Janes does not identify his rationale for explicitly informing Monterroso of the methods Monterroso was permitted to use when reminding Janes the maintenance fee was due.

Monterroso states he agreed to notify Janes the maintenance fee was due one month before the due date. Monterroso also states he "entered the important maintenance fee due date (12/22/2006) information into the Outlook calendaring system."⁹

⁶ August 1, 2011 Janes Declaration, ¶¶ 4-5.

⁷ November 21, 2011 Janes Declaration, ¶¶ 10-11.

⁸ *Id.* at ¶ 10.

⁹ November 21, 2011 Montessorro Declaration, ¶¶ 6-7.

Petitioner indicates the information for the patent was not present in Outlook as of July 2007. Therefore, assuming the date was entered into Outlook, the loss of the data appears to have occurred during or before one or more of the following events:

1. Monterroso rebuilding Janes' computer ("First Computer") during March 2005, due to an error in the operating system;
2. Monterroso replacing the First Computer with a new computer ("Second Computer") during June 2005 to upgrade the system;
3. Monterroso rebuilding Janes' Second Computer during April 2006 due to virus and phishing issues;
4. Monterroso's replacement, Mark Walters, replacing the Second Computer with a new and more reliable computer ("Third Computer") during December 2006; and
5. Walters replacing the Third Computer with a new computer ("Fourth Computer") during July 2007.

Analysis

The Information Pertaining to the Patent Entered Into Outlook.

Monterroso states he entered a due date of December 22, 2006, for the patent into Outlook. However, the date of December 22, 2006, is not one-month prior to the due date for the maintenance fee. Instead, the date of December 22, 2006, is:

1. Six months before the first date the maintenance fee could have been paid,
2. Approximately eleven months prior to the date one month before the last day the maintenance fee could have been timely paid without a surcharge, and
3. Approximately seventeen months before the last day the maintenance fee could have been timely paid with a surcharge.

Petitioner has not established that Monterroso properly docketed the maintenance fee. Moreover, petitioner has not established a documented business routine for performing the clerical task of docketing and payment of patent maintenance fees. Petitioner has not established that Monterroso was sufficiently trained and experienced to handle patent maintenance fees. In this regard, it has not been established that Walters was properly trained and experienced with respect to paying maintenance fees. Furthermore, even if the Office assumed that the maintenance fee was docketed into the Outlook[®] system on or about August 3, 2004, there is no showing that the maintenance fee remained docketed in the second or subsequent computer.

Janes' Lack of Knowledge Data Had Been Lost from Outlook

Janes asserts he "relied on the calendaring function of Outlook" and asserts "he reasonably believed that all of the data from my Outlook calendar would be transferred to each computer during each rebuild and/or upgrade process."¹⁰

¹⁰ November 21, 2001 Janes Declaration, ¶ 9.

Petitioner has not proven that it was unavoidable for Janes to ensure that with each computer rebuild and upgrade that the maintenance fee data was copied, as these are the actions of a reasonable and prudent person with respect to his most important business.

Janes' Failure to Take Steps to Determine if any Data Had Been Lost from Outlook

Assuming that the maintenance fee was properly docketed in 2004, the window for paying the maintenance fee at issue opened on June 22, 2007, and closed on June 22, 2008. Had the computers continued to work, perhaps they might have served as a timely reminder that payment of the maintenance fee was due. However, the computers suffered various problems and were replaced or rebuilt numerous times before the fees due here first became due. Thus, patentee knew that his docketing system was destroyed. Petitioner does not state that any backup files or backup information existed. So Petitioner no longer had a system in place to ensure timely payment of maintenance fees. Thus, his arguments might be persuasive with respect to a fee that he showed was entered in the system and was due between August 2004 and March 2005. However, with respect to fees due after March 2005, it was not reasonable to continue to rely on faulty computer data. Petitioner does not show that for a continuous period of time after the first computer suffered problems that he was working to reinstate the lost data. At the same time, there is no showing that petitioner took any action to determine the status of his patent portfolio and to re-enter the due dates in a reliable system. In fact, for almost four years, it appears he was unaware of the status of this patent. Under the circumstances set forth, it was not reasonable to continue to rely on an inoperative system. The absence of a functioning docketing system at the time this maintenance fee was due precludes a finding of unavoidable delay.

Conclusion


In view of the prior discussion, the record is insufficient to prove the entire delay in payment of the 3.5 year maintenance fee was unavoidable.

Decision

The prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the reasons herein and stated in the previous decision, the entire delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. 41(c)(1) and 37 CFR 1.378(b). Therefore, the petition is **denied**.

As stated in 37 CFR 1.378(e), the Office will not further consider or review the matter of the reinstatement of the patent.

Telephone inquiries may be directed to Petitions Attorney Steven Brantley at (571) 272-3203.


Anthony Knight
Director
Office of Petitions