



Paper No. 18

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In re Patent of Brooks :
Patent No. 5,125,855 :
Application No. 07/613,052 :
Filed: November 15, 1990 :
Issued: June 30, 1992 :
For: Vehicle Fuse Block Extender :

OFFICE OF PETITIONS

ON PETITION

This is a decision on the renewed petition under 37 CFR § 1.378(b), filed March 15, 2002, and supplemented July 19, 2002, to reinstate the above-identified patent.

The petition is **DENIED**.¹

Since this patent will not be reinstated, the fees submitted by petitioner will be scheduled for a refund. Petitioner has paid a total of \$4,905. However, the \$130 fee for requesting reconsideration paid on August 8, 2001, is not refundable. Therefore the Office will schedule a refund of \$4,775.

Background

The patent issued June 30, 1992. The 3.5 year maintenance fee could have been paid from June 30, 1995 through December 30, 1995, or with a surcharge during the period from December 31, 1995 to June 30, 1996. Petitioner did not do so. Accordingly, the patent expired July 1, 1996.

A petition to reinstate the patent was filed December 8, 2000, and dismissed in the decision of December 26, 2000. A petition to reinstate under 35 USC 41(c)(1) and 37 CFR 1.378(b) was filed February 20, 2001, and was dismissed in the decision of July 12, 2001. A renewed petition was filed on August 8, 2001. A Request for Additional Information was mailed on January 15, 2002.

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 Commissioner may accept the payment of any maintenance fee . . . after the six month grace period **if the delay is shown to the satisfaction of the Commissioner to have been unavoidable.**" (emphasis added)

¹ This decision may be viewed as a final agency action within the meaning of 5 USC § 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.

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.

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.² However, "The question of whether an applicant's delay in prosecuting an application was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account."³ Nonawareness of the content of, or a misunderstanding of, PTO statutes, PTO rules, the MPEP, or Official Gazette notices, does not constitute unavoidable delay.⁴ The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of

² The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard. 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee ... at any time ... if the delay is shown to the satisfaction of the Commissioner to have been unavoidable." (emphasis added).

"In the specialized field of patent law, ... the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of those provisions is entitled to considerable deference." Rydeen v. Quigg, 748 F.Supp. 900, 904, 16 U.S.P.Q.2d (BNA)1876 (D.D.C. 1990), aff'd without opinion (Rule 36), 937 F.2d 623 (Fed. Cir. 1991) (citing Morganroth v. Quigg, 885 F.2d 843, 848, 12 U.S.P.Q.2d (BNA) 1125 (Fed. Cir. 1989); Ethicon, Inc. v. Quigg, 849 F.2d 1422, 1425, 7 U.S.P.Q.2d (BNA) 1152 (Fed. Cir. 1988) ("an agency' interpretation of a statute it administers is entitled to deference"); see also Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 844, 81 L. Ed. 694, 104 S. Ct. 2778 (1984) ("if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute.")).

"The critical phrase 'unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable' has remained unchanged since first enacted in 1861." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The standard for "unavoidable" delay for reinstating a patent is the same as the unavoidable standard for reviving an application. See Ray v. Lehman, 55 F.3d 606, 608-609, 34 U.S.P.Q.2d (BNA) 1786, 1787 (Fed. Cir. 1995) (citing In re patent No. 4,409,763, 7 U.S.P.Q.2d (BNA) 1798, 1800 (Comm'r Pat. 1990); Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The court in In re Mattullath, accepted the standard which had been proposed by Commissioner Hall which "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." In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)).

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

⁴ See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D. D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute "unavoidable" delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D. D.C. 1985) (Plaintiffs, through their counsel's actions, or their own, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

proof. The decision will be based solely on the written, administrative record in existence. It is not enough that the delay was unavoidable; petitioner must **prove** that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.

Petitioner is responsible for possessing knowledge of the need to pay maintenance fees and the due dates for such fees. Petitioner is responsible for instituting a reliable docketing system to remind him or her when maintenance fees become due.

Petitioner is responsible for having knowledge of the need to pay maintenance fees and knowing when the fees are due.⁵ The Office has no duty to notify a patentee of the requirement to pay maintenance fees or to notify patentee when a maintenance fee is due.⁶ Even if the Office were required to provide notice to applicant of the existence of maintenance fee requirements, such notice is provided by the patent itself.⁷

⁵ Nonawareness of PTO statutes, PTO rules, the MPEP, or Official Gazette notices, which state maintenance fee amounts and the dates they are due, does not constitute unavoidable delay. See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D. D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute "unavoidable" delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D. D.C. 1985) (Plaintiffs, through their counsel's actions, or their own, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

Petitioner must act as a reasonable and prudent person in relation to his most important business. Upon obtaining the patent, a reasonable and prudent person, in relation to his most important business, would become familiar with the legal requirements of that business, in this case, the requirement to pay maintenance fees. In addition, a reasonable and prudent individual would read the patent itself and thereby become aware of the need to pay maintenance fees and the fact that such fee amounts are sometimes changed by law or regulation.

⁶ "Congress expressly conditioned §§ 133 and 151 [of the United States Code] on a specific type of notice, while no such notice requirements are written into § 41(c) ... [T]he Commissioner's interpretation of 'unavoidable' and of the PTO's duty to provide reminder notices then, do not plainly contradict the statute. For this reason, we must accord deference to the Commissioner's no-timely-notice interpretation." Ray v. Comer, 1994 U.S. Dist. LEXIS 21478, 8-9 (1994), *aff'd on other grounds* Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995) (citing Rydeen v. Quigg, 748 F. Supp. 900, 905 (1990), Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 81 L. Ed. 2d 694, 104 S. Ct. 2778 (1984)). "The Court concludes as it did in Rydeen, that as a constitutional matter, 'plaintiff was not entitled to any notice beyond publication of the statute.'" Id. at 3 (citing Rydeen v. Quigg, 748 F. Supp. at 906, Texaco v. Short, 454 U.S. 516, 536, 70 L. Ed. 2d 738, 102 S. Ct. 781 (1982)).

The Patent Office, as a courtesy, tries to send maintenance fee reminders and notices of patent expiration to the address of record. However, the failure to receive the reminder notice, and the lack of knowledge of the requirement to pay the maintenance fee, will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. See MPEP 2575, 2540, 2590. Petitioner does not have a right to personalized notice that this patent will expire if a certain maintenance fee is not paid, as the publication of the statute was sufficient notice. See Rydeen v. Quigg, 748 F. Supp. 900, 907 (1990). The ultimate responsibility for keeping track of maintenance fee due dates lies with the patentee, not the USPTO. Since the mailing of Notices by the Office is completely discretionary and not a requirement imposed by Congress, accepting an argument that failure to receive a Notice is unavoidable delay would result in all delays being unavoidable should the Office discontinue the policy. All petitions could allege non-receipt of the reminder, and therefore all petitions could be granted. This was clearly not the intent of Congress in the creation of the unavoidable standard.

The Office never mailed a reminder or notice of expiration to Mr. Brooks, so his failure to remember is not a memory failure but a demonstration of accurate memory. Any reminders or notices were sent to Joseph Herring at the address of record. The address of record was "Joseph C. Herring, 3257 South Steele Street, Denver, CO, 80210."

⁷ See Ray v. Lehman, 55 F.3d 606, 610; 34 USPQ2d 1786, 1789 (Fed. Cir. 1995).

A reasonable and prudent person, aware of the existence of maintenance fees, would not rely on Maintenance fee reminders or on memory to remind him or her when payments would fall due several years in the future. Instead, such an individual would implement a reliable and trustworthy tracking system to keep track of the relevant dates.⁸ The individual would also take steps to ensure that the patent information was correctly entered into the tracking system.

Application of the unavoidable standard to the present facts

The patent issued June 30, 1992. The 3.5 year maintenance fee could have been paid from June 30, 1995 through December 30, 1995, or with a surcharge during the period from December 31, 1995 to June 30, 1996. Petitioner did not do so. Accordingly, the patent expired July 1, 1996.

On June 4th or June 6th, of 1995, the record is ambiguous as to the exact date, petitioner and his wife were given two grandsons, aged 2 months and 2.5 years, to take care of full time in their household with less than 12 hours of notice. The mother left the children and the father, the son of petitioner, was in the military forces and was stationed in Arizona. Petitioner was 65 and petitioner's wife was 64. The care of the two boys placed an enormous and stressful burden on petitioner. In July of 1999, the father of the boys also moved into the household. In June 2001, the boys and their father moved into a separate home.

After June of 1995, petitioner gradually began suffering from decreased memory.⁹ Petitioner

⁸ 37 CFR 1.378(b)(3) precludes acceptance of a late maintenance fee for a patent unless a petitioner can demonstrate that steps were in place to monitor the maintenance fee. The Federal Circuit has specifically upheld the validity of this properly promulgated regulation. Ray v. Lehman, 55 F.3d 606, 609; 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995). In Ray v. Lehman, petitioner claimed that he had not known of the existence of maintenance fees and therefore had no steps in place to pay such fees. The petitioner therefore argued that the PTO's regulations requiring such steps created to heavy a burden. The court stated, "Ray also takes issue with the PTO's regulation, 37 C.F.R. § 1.378(b)(3), supra, arguing that it 'creates a burden that goes well beyond what is reasonably prudent.' We disagree. The PTO's regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these as requirements additional to proving unavoidable delay, but as the very elements of unavoidable delay." Id.

A reasonable and prudent person would not rely on maintenance fee reminders from the Office for two reasons. First, the Office has indicated that such reminders are a mere courtesy and has reserved the right to discontinue such reminders at any time. Second, such reminders may be lost in the mail. A reasonable and prudent person, in regard to his most important business, would not rely solely on reminders that the Office may or may not send which may or may not be lost in the mail.

⁹ The petitions which have been filed discuss the impact of stress on memory. Stress, and many other factors, can lead to elevated levels of cortisol which results in the shrinkage of the hippocampus, the portion of the brain associated with memory and learning. However, the exact cause of petitioner's memory problems is irrelevant. The analysis remains the same whether petitioner's symptoms arose from stress, depression, Alzheimer's, or another biological cause. The relevant fact is that petitioner suffered from poor memory. Petitioner became less organized, driven, and focused. Petitioner occasionally misplaced items.

Petitioner has presented letters from a Dr. Pat Sokolof concerning his mental condition. The doctor's August 8, 2001 letter states that due to petitioner's mental condition, he was "not able to process new and unique information, i.e. the patent fee notice, without reminders." However, petitioner was never sent a "patent fee notice." As an example of petitioner's memory gaps, the doctor states, "He has no recollection of receiving even one notice regarding his patent and it's subsequent expiration." The Office never mailed a reminder or notice of expiration to petitioner, so his failure to remember is not a memory failure but a demonstration of accurate memory. Any reminders or notices were sent to Joseph Herring at the address of record. The address of record was "Joseph C. Herring, 3257 South Steele Street, Denver, CO, 80210." The doctor states, "The maintenance fee was a new and unusual bill that did not fit into the established pattern. Normally, most bills were paid soon after arrival." A bill for the maintenance fee was not mailed to petitioner so it could not be paid soon after arrival. It is difficult to determine all of the facts which were presented to the doctor and the degree to which the doctor's conclusions were based on the above cited

became less organized, driven, and focused. Petitioner occasionally misplaced items. The petitions do not allege that these symptoms began to appear prior to June of 1995.

The living situation produced a high stress situation which was "compounded by reports from [petitioner's] daughter . . . about problems she was having with her children."¹⁰ In the early months of 1996, petitioner's daughter told petitioner that her girls "were having problems in school, with drugs, and with their parents."¹¹

Petitioner began planning for his retirement and the sale of his business. Petitioner had begun the process of selling the business in the fall of 1994. A buyer was found and a contract for the sale of his business was signed on April 30, 1996.¹²

Petitioner alleges that he was aware of the need to pay the maintenance fee in April of 1996. However, petitioner chose to defer payment of the fee "until later . . . when the cash flow picture

erroneous facts. The doctor's second letter notes that he has read petitioner's response to the Request for Information and Mr. Herring's discussion. It is unclear what other facts may have been presented either orally or in writing to the doctor. The doctor reaches the conclusion that, the informal business practices of petitioner are effective, common, and practical. He states that many of his small business clients do not and could not maintain the efficiency established by the Brook's informal operating procedures in their dealings with both local and Federal governments." The doctor also states that, due to petitioner's memory problems, no system could have been put in place which could have been 100% accurate.

What was the system the doctor concludes was practical? Upon receiving cash as part of his business, petitioner regularly made deposits into the bank. Petitioner weekly tallied results, paid employees, deposited funds, and paid bills received during the week. The withholding of taxes became routine over 30 years of such activity and reminders were not required. A bill is not sent for a maintenance fee reminder. Since petitioner had never paid a single maintenance fee reminder, such an activity could not be construed as routine. The reliableness of the above system to pay the maintenance fee timely is not the same as the reliableness of the system to timely pay a bill received. It should be noted that, had petitioner followed his routine, the fee would have been timely paid. Each week, petitioner paid bills that had been received that week. In April petitioner realized the fee was due and had the money to pay the fee available. If he had paid the fee during his next weekly bill paying session, the patent would not have expired. Instead, he left the safeguards of the system and chose to delay payment of the "bill" for several months. The doctor fails to address the merits of the system regarding bills that are not paid during the week but are instead postponed for months. It should be noted that the record is unclear as to the extent the "system" was in place in April of 1995 and afterwards. Petitioner states, "With the sale of the dry cleaning business, the bill payment system was gradually discontinued, since there were many fewer bills to be paid as time passed."

The doctor was presented with incorrect facts. The doctor does not have a business degree and is not an expert in the area of business methods. The doctor's assessment of the reliableness of the system is irrelevant in so far as the system was not used for the maintenance fee. The doctor states that no system would have been 100% reliable, but that is true for every system regardless of the mental state of the administrator.

¹⁰ March 15, 2002 petition, page 2.

¹¹ August 8, 2001 petition.

¹² The February 20, 2001, petition states,

The business sale closed May 1, 1996. The purchasers were newcomers to the business in general and to the dry cleaning business in particular. We were engaged in the closing or transferring of all the active business accounts with creditors, training the new owners in business operation in general and with the specific operation of a dry cleaning business in particular. The dry cleaning business involves a broad spectrum of skills including day to day money management, customer service, work scheduling, maintenance operations, dry cleaning operations, pressing, the safe handling and disposal of hazardous materials and maintaining the licensing structure that allows the business to operate.

would be clearer. [He] expected this to happen in mid to late May 1996.”¹³ “Petitioner had the money available in April but was husbanding his funds against unknown costs associated with the sale of [his] business.”¹⁴

While running the business, petitioner had a business system in place whereby he made deposits regularly, opened payables when received and entered them into a ledger, paid employees weekly, tallied receipts weekly, and paid bills weekly. After 30 years, the withholding and paying of taxes had become routine and reminders were unnecessary for these events to timely occur. “With the sale of the dry cleaning business, the bill payment system was gradually discontinued, since there were many fewer bills to be paid as time passed.”¹⁵

The business system in place discussed above is ineffective for the payment of maintenance fees. The system ensures that fees are paid if: a) a bill is received for the fee or b) payment of the fee has become routine over 30 years of payments of such fees. *Each week petitioner pays the bills he received that week.* However, bills for maintenance fees are not sent. See footnotes 6 and 7. Therefore, reliance on a system that depends on the receipt of a bill when such bills are not sent is neither reasonable nor prudent.¹⁶ Since petitioner had never paid a single maintenance fee before, the payment of maintenance fees was not routine. Although a bill was never received, petitioner does allege he became aware of the need to pay the fee during April of 1996. He then had the opportunity to follow standard procedure. When he paid all the bills that he had received that week, he could have paid the maintenance fee.¹⁷ Instead, he chose to defer payment of the fee for several weeks. Petitioner has not shown the existence of any system to pay non-routine fees weeks after realizing the fee is due.

In April of 1996, petitioner knew of the fee and could have paid the fee, but chose to delay payment of the fee. He has failed to demonstrate the existence of any system in place to ensure that payment of the fee would be timely made once the fee was postponed. The issue becomes, would a reasonable and prudent person treating the patent as his most important business rely solely on memory to ensure that a fee would be timely paid and not forgotten? Petitioner has failed to prove that the answer to this question is yes.

The record discusses difficulties which arose in June which might cause one to forget to make a fee payment. Assuming that such difficulties would cause anyone to forget a fee payment, then two possibilities exist. The first possibility is that petitioner forgot the payment and would have

¹³ February 20, 2001 petition.

¹⁴ March 2002 petition.

¹⁵ March 15, 2002 petition, page 3.

¹⁶ The maintenance fee differs from any others paid under petitioner’s “bill payment system.” For, example the fee differs from an electric bill. The deadline for a maintenance fee is statutory. The deadline for an electric bill is non-statutory and Congress does not require one to prove that a delay in payment was unavoidable in order to have one’s power restored. The electric company mails an electric bill providing notice of the need to pay the fee and the fee amount, whereas one can not rely on the receipt of a bill from the Office. Since the nature of an electric bill and the risks of nonpayment differ from those of a maintenance fee, the reliance on the same system for payment of a maintenance fee is neither reasonable nor prudent.

¹⁷ In discussing his life after the expiration of the patent, petitioner cites his “excellent credit and fully paid bills.” However, petitioner has failed to prove that such bills were paid as the result of reliance on memory rather than on a weekly basis. Petitioner also states, “had the [maintenance fee] been required presently, [it] would be paid promptly in an orderly manner.” See March 15, 2002 petition, page 7. Petitioner’s normal business system is to promptly pay bills, not to postpone payment.

forgotten the payment even if the difficulties had not arisen.¹⁸ The second possibility is that he would not have forgotten the payment if the difficulties had not arisen. Petitioner has not proven that the first possibility is incorrect and the second possibility is correct. Even if petitioner were to provide such proof, a reasonable and prudent person would not have risked his most important business by relying solely on memory to ensure the maintenance fee was paid.

In the Request for Information mailed on January 15, 2002, the Office asked,

During this period, did petitioner rely solely on memory to deal with his other business obligations?

What other important business obligations were forgotten during the time period in question? Did petitioner fail to pay other important bills such as telephone or utility bills? What other facts demonstrate that petitioner's memory loss was such as to cause him to forget the maintenance fee even though he alleges he treated the patent as his most important business? In addition, should not these facts have put petitioner on notice that he should take steps to ensure the maintenance fee would not be forgotten after it was postponed?

Petitioner has not provided a list of other bills which he has relied solely on memory to pay. Petitioner states, in his May 30, 2002 declaration, "we also made our 'long term' payments on time . . . using our primarily memory-based budgeting system." Exhibits 6A and 6B supplied with the supplement to the petition lists periodic bills to be paid by petitioner. The exhibits are unpersuasive for three reasons. First, the supplement does not state that petitioner always relied *solely* on memory to remember when to pay these bills. Second, the supplement does not state to what degree petitioner ever forgot to pay these bills on time. Third, petitioner worked in the dry cleaning business for 29 years. Many of these bills or actions had been addressed a multitude of times before. The maintenance fee was a "bill" which had never been paid before by petitioner. Petitioner failed to timely pay the 3.5 year fee and the 7.5 year fee.

Petitioner does not list any other bills forgotten during the time period during which the 3.5 year fee was payable. In fact, petitioner was able to complete the sale of his business, train the new buyers, buy a new boiler, pay phone bills, and pay advertising bills during this time period. Petitioner alleges that the maintenance fee was treated as his most important business despite the fact that the maintenance fee was the only fee that petitioner states petitioner forgot to pay. Petitioner does state that he accidentally failed to timely renew his driver's license but fails to state he failed to timely pay any bills.

Petitioner has simply failed to demonstrate that he treated the patent the same as a reasonable and prudent person would treat his most important business. Petitioner's business system relied on the prompt payment of bills. Petitioner has not proven he was reasonable and prudent in failing to comply with this requirement of the business system when he chose to postpone payment of the maintenance fee for weeks.

The supplement filed on July 19, 2002, states that petitioner's memory was excellent during his Navy career. However, the relevant question is: how excellent was petitioner's memory during April of 1996 when he chose to rely on his memory to ensure that the maintenance fee would be paid timely? A declaration of Lawrence Gill, an attorney specializing in tax and estate matters,

¹⁸ This possibility assumes petitioner would have forgotten to make the payment prior to July 1, 1996, but does not necessarily assume that petitioner would continue to forget past this date. Petitioner must prove that the entire delay was unavoidable. Even if petitioner could prove that he would have remembered the payment on July 4, 1996, and could prove the delay after July 4, 1996, was unavoidable, such proof would not prove that the initial failure to timely pay and the delay prior to July 4, 1996, was unavoidable.

states that he had dealings with petitioner since 1982 and that "He impresses me as having an excellent memory." Mr. Gill's declaration does not state that his business relationship was so extensive with petitioner that Mr. Gill is qualified to judge petitioner's memory capacity and the accuracy of petitioner's memory. For example, Mr. Gill fails to state that he noticed that petitioner's memory was suffering due to stress, which implies a lack of familiarity with petitioner's memory. For the previously stated reasons, Mr. Gill has failed to prove that he is qualified to judge petitioner's memory.

The petition stresses petitioner's integrity, intelligence, orderly thinking, ability to plan, and other personal characteristics. These characteristics have been considered to the extent that they are relevant to the question: Has petitioner proven that petitioner was reasonable, prudent, and treating the patent as his most important business when he chose to rely solely on memory to ensure that the maintenance fee would be timely paid and not forgotten?

Petitioner provides evidence to show that the patent was important to petitioner. He keeps the patent in his office along with other business files including files related to other inventions. He negotiated a license for the patent. He acts as a trouble-shooter for the exclusive licensee. However, proof that petitioner did not desire for the patent to expire and that such expiration is unintentional is not proof that the entire delay in the submission of the payment was unavoidable.¹⁹

An applicant may delay action until the end of the time period for reply. In doing so, however, the applicant must assume the risk attendant to such delay. Petitioner intentionally chose to delay paying the fee risking that the fee might be forgotten or late.

¹⁹ In 1992, Congress enacted legislation concerning the reinstatement of patents for failure to timely pay the maintenance fee. Before 1992, in order to reinstate a patent, one had to demonstrate that the entire delay in making the payment and filing the petition to reinstate was unavoidable. As stated earlier, the standard for "unavoidable" delay for reinstating a patent is the same as the unavoidable standard for reviving an application.

Congress recognized how difficult the unavoidable standard was to meet. The unavoidable standard was described by Congressional representatives as "inflexible" and "extremely hard to meet." "[The unavoidable] standard has been found to be extremely hard to meet. Some patent owners have lost their patent rights due to this inflexible standard." 138 CONG. REC. S16613, 16614 (September 30, 1992) (statement of Rep. DeConcini). The unavoidable standard can be "harsh" and result in "tragedy." "[An employee of a law firm said to me] 'Mr. McCollum, are you aware of all the problems that small patent holders have with regard to these maintenance fees? ... [An employee of a law firm said to me] 'Mr. McCollum, are you aware of all the problems that small patent holders have with regard to these maintenance fees? ... They don't get the notices, either move or whatever, and really didn't intend to not make those fees, but the standards are so high they cannot overcome it when they come in here.' It is an unavoidable standard; of course they could have technically avoided it and therefore they have lost their patent. I think that is a tragedy. I looked into this and consequently that is the origin of where this bill came from. ... I do agree with the comments made by [Rep. Hughes] that the standard of 'unavoidable' was just too high, 'unintentional' is much better." 138 CONG. REC. H1115 (October 3, 1992) (statement of Rep. McCollum). "The unavoidable standard is too stringent. Some patent owners have lost their patent rights due to circumstances that do not warrant this harsh result, but that could not be considered 'unavoidable' under current law." 138 CONG. REC. E1688 (June 4, 1992) (extension of remarks of Rep. McCollum).

Congress could have passed legislation making the unavoidable standard easier to meet. They did not. Instead, Congress created an additional remedy. Congress created the "unintentional" standard whereby one only has to establish that one intended to make a payment, but did not. However, Congress made the determination that one would only be able to file an "unintentional" petition within 24 months of the last day of the six month grace period. If the 3.5 year fee is missed, then the unintentional petition must be filed within six years of the date of issue. If the 7.5 year fee is missed, an unintentional petition must be filed within 10 years of the date of issue. If the 11.5 year fee is missed, then the petition must be filed within 14 years of the date of issue. If one is past this time period, one must satisfy the "extremely hard to meet" "unavoidable" standard. A petition to accept an unintentionally delayed payment must be accompanied by the maintenance fee, the required surcharge, and "a statement that the delay in payment of the maintenance fee was unintentional." 37 CFR 1.378(c).

To the extent that the failure to pay the fee was due to distractions such as the sale of the laundry business rather than a mental illness, a preoccupation with other matters which are given precedence over the patent does not constitute unavoidable delay.²⁰ The original petition states, "At the time of the lapse of the patent I was preoccupied with the sale of my business, a son who recently divorced and 2 small boys, and retiring at age 66." The declaration of petitioner's wife submitted on July 19, 2002, states, "we fell behind in everything we did and were so focused on and distracted by the kids and the completion of the sale of our business and we both forgot the need for maintenance payments."

Petitioner has failed to comply with 37 CFR 1.378(b) in so far as he had no steps in place to ensure the fee would be paid after payment was postponed in April. 37 CFR 1.378(b) precludes acceptance of a late maintenance fee for a patent unless a petitioner can demonstrate that steps were in place to monitor the maintenance fee. The Federal Circuit has specifically upheld the validity of this properly promulgated regulation.²¹ In Ray v. Lehman, petitioner claimed that he had not known of the existence of maintenance fees and therefore had no steps in place to pay such fees. The petitioner therefore argued that the PTO's regulations requiring such steps created to heavy a burden. The court stated, "Ray also takes issue with the PTO's regulation, 37 C.F.R. § 1.378(b)(3), supra, arguing that it 'creates a burden that goes well beyond what is reasonably prudent.' We disagree. The PTO's regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these as requirements additional to proving unavoidable delay, but as the very elements of unavoidable delay."²² Petitioner relied on memory rather than implementing steps to ensure that the maintenance fee date would not be forgotten. Petitioner has failed to establish that such action was an action a reasonable and prudent person would take when dealing with his most important business.

Difficulties arose after petitioner postponed payment of the maintenance fees. In June, additional family difficulties arose which placed additional stress on petitioner.²³

On July 1, 1996, the patent expired for failure to pay the maintenance fee.

Petitioner cites that he was tired and falling behind in activities such as monthly review of the checking account statements, visits with friends, and even lawn mowing. It can be assumed that

²⁰ "[T]he preoccupation of plaintiff's attorney with other legal matters or with moving his residence does not relieve him of the burden of complying with the Patent Office regulations. Plaintiff's delay due to his inadvertence or mistake does not constitute 'unavoidable' delay." Smith v. Diamond, 209 U.S.P.Q. (BNA) 1091 (D.C. Cir. 1981) (citing Potter v. Dann, 201 U.S.P.Q. 574,575 (D. D.C. 1978)).

²¹ Ray v. Lehman, 55 F.3d 606, 609; 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995).

²² Id.

²³ On June 26th, 1996, petitioner and wife were in California on the pretense of the elder granddaughter's 16th birthday. However, the real reason for the trip was to assess family difficulties occurring in their daughter's household. For example, the younger granddaughter, age 13, had an arrest warrant pending for assault with a deadly weapon (knife). By mutual agreement between petitioner, his wife, his daughter, his daughter's ex-husband, and the County Sheriff's department, the granddaughters and daughter were relocated to live with petitioner and his wife. The new living situation brought further stress into the life of petitioner. The daughter and granddaughters lived with petitioner until the end of 1997 at which time they moved into an apartment in the same town.

The record clearly establishes that petitioner suffered intense stress during this time period.

he eventually reviewed his checking account statements for May and June but failed to notice that a check had never been written for the maintenance fee despite the fact that he alleges that the patent was treated as his most important business.

At the end of December of 1996, petitioner and his wife formed a Limited Liability Company for the purpose of managing patent operations and the resulting income and expenses.²⁴ Petitioner participated in the preparation and prosecution of patents. Petitioner continued to spend time in his shop and office. He cites times when work had to be redone due to an inability to concentrate on technical details.²⁵

At the end of 1997, the granddaughters moved out of the household. However, the grandsons continued to live in the household.

If the 3.5 year fee had been timely paid, as petitioner assumed it had been, then the 7.5 year fee could have been paid from June 30, 1999 through December 30, 1999, or with a surcharge during the period from December 31, 1999 to June 30, 2000. Petitioner has presented no evidence that any steps were in place to ensure the 7.5 year fee would be paid timely. If the 7.5 year fee had been paid, it would have been returned and petitioner notified that the 3.5 year fee had not been paid. The petition to reinstate could have therefore been filed earlier. Petitioner has failed to prove that he treated the patent the same as a reasonable and prudent person would treat his most important business. Petitioner had years after the expiration of the patent to take steps to ensure the 7.5 year fee would not be forgotten but failed to take such steps. During this entire time period petitioner never checked to ensure the 3.5 year fee had been paid. Even if a check had been mailed, he could have taken action to ensure it cleared. Petitioner cites unexpected stress as one of several reasons that the 3.5 year fee was not timely paid, however petitioner had years to plan payment of the 7.5 year fee. Petitioner has not proven that his failure to take steps to pay the 7.5 year fee timely was the result of a mental impairment.

Petitioner did not discover the expiration of the patent until November 30, 2000.

The entire administrative record and all the facts and circumstances have been considered. The record fails to establish that the entire delay in the submission of the 3.5 year fee was unavoidable.

The March 15, 2002, declaration of Joseph Herring, and the supplement to the petition filed on July 19, 2002, cite the fact that many agencies are taking steps to make it easier for applicants to meet various requirements.²⁶ Mr. Herring is correct that the Patent and Trademark Office is one of those agencies. The Office has instituted policies for the benefit of patentees. For example, one may pay a maintenance fee by credit card or deposit account by use of the internet or facsimile transmission. As a courtesy, the Office also attempts to mail maintenance fee reminders. However, the Office need not address the issue of whether the requirements of the unavoidable standard should be lessened because the Office cannot take such an action. The requirement to prove "unavoidable" delay is imposed by Congress, and not by the Office. As discussed in footnote 18, Congress had the opportunity to lessen the requirements of the unavoidable standard, and Congress did not. The Office does not have the authority to waive or lessen the requirements of a statute.

²⁴ February 20, 2001 petition, page 4.

²⁵ March 15, 2002, petition, pages 5 and 6.

²⁶ Page 4.

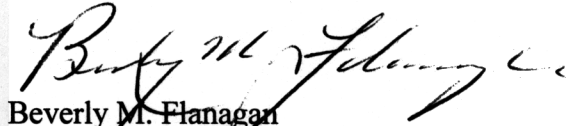
Decision

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 USC § 41(c)(1) and 37 CFR § 1.378(b). Therefore, the petition is **denied**.

As stated in 37 CFR 1.378(e), no further reconsideration or review of the matter will be undertaken.

The patent file is being forwarded to Files Repository.

Telephone inquiries should be directed to Petitions Attorney Steven Brantley at (703) 306-5683.



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