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OFFICE OF PETITIONS

In re Application of	:	
Oon T. Tan	:	
Application No. 08/066,875	:	
Patent No. 5,290,273	:	DECISION ON RENEWED PETITION
Filed: May 25, 1993	:	PURSUANT TO 37 C.F.R.
Issue Date: March 1, 1994	:	§ 1.378(E)
Attorney Docket Number:	:	
TAN001CIP	:	
Title: LASER TREATMENT METHOD	:	
FOR REMOVING PIGMENT CONTAINING	:	
LESIONS FROM THE SKIN OF A	:	
LIVING HUMAN	:	

This is a decision on the renewed petition filed on October 1, 2007, pursuant to 37 C.F.R. § 1.378(e)¹ requesting reconsideration of a prior decision pursuant to 37 C.F.R.

¹ Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. § 1.378(b) must include:

- (1) The required maintenance fee set forth in 37 C.F.R. §1.20 (e) through (g);
- (2) The surcharge set forth in 37 C.F.R. § 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

§ 1.378(b), which refused to accept the delayed payment of maintenance fees for the above-referenced patent. The request to accept the delayed payment of the maintenance fee is **DENIED**².

The patent issued on March 1, 1994. The grace period for paying the 7½-year maintenance fee provided in 37 C.F.R. § 1.362(e) expired at midnight on March 1, 2002, with no payment received. Accordingly, the patent expired on March 1, 2002 at midnight.

Mr. Tan is the inventor. The Assignee is a corporate entity by the name of Cynosure, Inc. (Cynosure). The Petitioner is a member of the law firm Hamilton, Brook, Smith & Reynolds (HBSR).

An original petition pursuant to 37 C.F.R. § 1.378(b) was filed on November 6, 2006 to reinstate the above-identified patent. This petition was dismissed via the mailing of a decision on August 1, 2007, for failure to establish that the entire period of delay was unavoidable.

Petitioner has submitted, *inter alia*, the surcharge associated with a petition to accept late payment of a maintenance fee as unavoidable, the 7½ and 11½-year maintenance fees, a statement of facts, and the surcharge that is associated with the filing of this renewed petition.

Petitioner has met the first and second requirements set forth in 37 C.F.R., §1.378(b). A discussion of the third requirement follows.

The standard

35 U.S.C. §41(c)(1) states:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay³ is shown to the satisfaction of the Director to have been unavoidable.

aware of the expiration of the patent, and the steps taken to file the petition promptly.

² This decision may be regarded as a final agency action within the meaning of 5 U.S.C. §704 for the purposes of seeking judicial review. See MPEP § 1002.02.

§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 37 C.F.R. § 1.137(a). 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 business⁴.

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account." Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable⁵."

An adequate showing that the delay in payment of the maintenance fee at issue was unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 C.F.R. § 1.378(b).

The burden of showing the cause of the delay is on the person seeking to revive the application⁶.

A delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice, or the

³ This delay includes the entire period between the due date for the fee and the filing of a grantable petition pursuant to 37 C.F.R. §1.378(b).

⁴ In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff'd, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

⁵ Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

⁶ Id.

MPEP is not rendered "unavoidable" due to either the applicant's reliance upon oral advice from USPTO employees or the USPTO's failure to advise the applicant to take corrective action⁷.

The Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and the applicant is bound by the consequences of those actions or inactions⁸. Specifically, a petitioner's delay caused by the mistakes of negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133⁹.

The actions of the attorney are imputed to the client, for when a petitioner voluntarily chooses an attorney to represent him, the petitioner cannot later avoid the repercussions of the actions or inactions of this selected representative, for clients are bound by the acts of their lawyers/agents, and constructively possess "notice of all facts, notice of which can be charged upon the attorney"¹⁰.

Courts hesitate to punish a client for its lawyer's gross negligence, especially when the lawyer affirmatively misled the client," but "if the client freely chooses counsel, it should be bound to counsel's actions¹¹."

Presuming for the purposes of discussion that it was an act/omission of Counsel that contributed to any of the delay herein, the act(s) or omissions of the attorney/agent are imputed wholly to the applicant/client¹² in the absence of

⁷ See In re Sivertz, 227 USPQ 255, 256 (Comm'r Pat. 1985).

⁸ Link v. Wabash, 370 U.S. 626, 633-634 (1962).

⁹ Haines, 673 F.Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32; 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. 103, 131 (Comm'r Pat. 1891).

¹⁰ Link at 633-634.

¹¹ Inryco, Inc. v. Metropolitan Engineering Co., Inc., 708 F.2d 1225, 1233 (7th Cir. 1983). See also, Wei v. State of Hawaii, 763 F.2d 370, 372 (9th Cir. 1985); LeBlanc v. I.N.S., 715 F.2d 685, 694 (1st Cir. 1983).

¹² The actions or inactions of the attorney/agent must be imputed to the petitioners, who hired the attorney/agent to represent them. Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962). The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is imputed to that party and the party is bound by the consequences. See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

evidence that the attorney/agent has acted to deceive the client.¹³

Moreover, Link sets forth:

"[I]f an attorney's conduct falls substantially below what is reasonable under the circumstances, the client's remedy is against the attorney in a suit for malpractice. But keeping [a] suit alive merely because plaintiff should not be penalized for the omissions of his own attorney would be visiting the sins of plaintiff's lawyer upon the defendant¹⁴."

**Portions of the Code of Federal Regulations and the MPEP
relevant to the abandonment of this application**

37 C.F.R. § 1.362 Time for payment of maintenance fees.

(a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.

(b) Maintenance fees are not required for any plant patents or for any design patents. Maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees.

(c) The application filing dates for purposes of payment of maintenance fees are as follows:

(1) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.

(2) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119, the United States filing date of the application.

(3) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.

13 When an attorney intentionally conceals a mistake he has made, thus depriving the client of a viable opportunity to cure the consequences of the attorney's error, the situation is not governed by the stated rule in Link for charging the attorney's mistake to his client. In re Lonardo, 17 USPQ2d 1455 (Comm'r. Pat. 1990).

14 Link at 634. See also Mekdeci v. Merrell Nat'l. Laboratories, 711 F.2d 1510, 1522-23 (11th Cir. 1983) ("There is no constitutional or statutory right to effective assistance of counsel on a civil case.' . . . [A] 'party . . . does not have any right to a new trial in a civil suit because of inadequate counsel, but has as its remedy a suit against the attorney for malpractice.'") (quoting Watson v. Moss, 619 F.2d 775, 776 (8th Cir. 1980)) and Kushner v. Winterthur Swiss Ins. Co., 620 F.2d 404, 408 (3rd Cir. 1980) ("An aggrieved party in a civil case, involving only private litigants unlike a defendant in a criminal case, does not have a constitutional right to the effective assistance of counsel. The remedy in a civil case, in which chosen counsel is negligent, is an action for malpractice.").

(4) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original non-reissue application on which the patent reissued is based.

(5) For an international application which has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.

(d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:

- (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
- (2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
- (3) 11 years through 11 years and 6 months after grant for the third maintenance fee.

(e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:

- (1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
- (2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and
- (3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.

(f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.

(g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.

(h) The periods specified in §§1.362 (d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based.

[49 FR 34724, Aug. 31, 1984, added effective Nov. 1, 1984; paras. (a) and (e), 56 FR 65142, Dec. 13, 1991, effective Dec. 16, 1991; paras. (c)(4) and (e) revised and para. (h) added, 58 FR 54504, Oct. 22, 1993, effective Jan. 3, 1994]

Application of the standard to the current facts and circumstances

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for

acceptance of a late payment of the maintenance fee and surcharge, as set by 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3).

The arguments and exhibits submitted on renewed petition have been reviewed and considered, and they have not been deemed to be persuasive.

The period for paying the 7½-year maintenance fee without the surcharge extended from March 1, 2001 to September 1, 2001, and for paying with the surcharge from September 2, 2001 to March 1, 2002. Thus, the delay in paying the 7½-year maintenance fee extended from March 1, 2002 at midnight to the filing of the original petition on November 6, 2006.

The underlying facts are summarized as such:

- The inventor assigned all patent rights to Cynosure.
- On March 1, 1994, the present patent issued.
- At the time of issuance, Horace Furumoto was the President of Cynosure, Emanuel Crespo served as Cynosure's in-house attorney, and Cynosure relied on outside counsel (David Prashker) to track its maintenance fee payments.
- The 3½-year maintenance fee was timely submitted on November 20, 1997, along with the required surcharge, by an unknown entity.
- In 2003, Cynosure underwent a corporate restructuring, Mr. Furumoto retired, and Mr. Crespo left the company.
- Prior to the restructuring, George Cho was responsible for Cynosure's clinical studies, regulatory affairs, and quality assurances. After the corporate restructuring, he became responsible for regulatory affairs and management of Cynosure's intellectual property.
- Upon assuming responsibility for Cynosure's patents, Mr. Cho was given a list of what was intended to constitute Cynosure's entire patent portfolio. The present patent did not appear on the list, which had been had previously maintained by Mr. Crespo.
- It is not clear when Cynosure ceased using David Prashker as outside counsel, and retained the services of HBSR.

The decision on the original petition set forth that Petitioner had failed to establish that the entire period of delay was unavoidable for the following reasons:

1. It was not clear who submitted the first maintenance fee.
2. It had not been established that Mr. Prashker had any steps in place for ensuring the timely payment of the maintenance fee.
3. Petitioner had submitted a statement of facts from George Cho, however Mr. Cho does not have firsthand knowledge of "the facts involved at the time of expiration of the patent for failure to pay the second maintenance fee."
4. The decision further indicated that a statement of facts would be required from Messrs. Furumoto and Crespo, indicating why this patent was not included in the list that was presented to Mr. Cho and represented as Cynosure's complete patent portfolio. The decision also indicated that a statement of facts would be required from Mr. Prashker.

Regarding the first and second points above, it has not been determined who submitted the first maintenance fee, nor has it been established that any steps were in place for ensuring that the maintenance fee would be submitted in a timely manner.

Petitioner has set forth that "[t]he evidence suggests that Mr. Prashker did pay the first maintenance fee...¹⁵" Petitioner has further asserted "[t]he evidence furthest suggests that Mr. Prashker...had a system in place for monitoring deadlines and paying maintenance fees...¹⁶" Each assertion amounts to mere supposition and conjecture. In essence, Petitioner has based his first assumption on the fact that Mr. Prashker was acting as outside counsel at the time. The second assumption is based on the first - if Mr. Prashker submitted the first maintenance fee, then he must have had a system for tracking the maintenance fees that was reliable.

Petitioner further set forth "[w]hatever system was in place that resulted in the first maintenance fee being paid, the evidence suggests that this system failed with respect to the fee due in 2001-2002¹⁷."

Petitioner has not described what steps, if any, Mr. Prashker had in place for ensuring the timely submission of the maintenance fee.

¹⁵ Renewed petition, page 3.

¹⁶ Id. at 4.

¹⁷ Id.

Petitioner has added that HBSR handled "the majority of Cynosure's patents" during "the time period relevant to this case (i.e. 2001-2002)¹⁸." The inclusion of the word "majority," coupled with the assertion regarding the failure of the system that Petitioner has asserted that Mr. Prashker had in place strongly suggests that HBSR was not in charge of tracking the maintenance fees for this patent at the time of expiration. As such, the system that HBSR had in place is not relevant to the expiration of this patent.

Assuming arguendo that HBSR was in charge of tracking the maintenance fees for this patent at the time of expiration, it is not clear why this maintenance fee was not timely submitted. Petitioner has described the tracking system that HBSR has in place, and has indicated that a patent is entered into the docketing system "upon receipt of the Issue Notification from the USPTO¹⁹." This patent issued in 1994. As such, it does not appear that this patent would have been entered into HBSR's docketing system, and no mention has been made of any provision for when HBSR assumes responsibility of issued patents.

Regarding the third point above, Petitioner has asserted that Mr. Cho is "directly knowledgeable of Cynosure's current and historical practices with respect to maintenance fee payments²⁰," and has cited to the fourteenth paragraph of Mr. Cho's declaration of facts. This paragraph has been reviewed, and it appears that his knowledge is limited to an approximate number of patents that Cynosure owns, the fact that Cynosure relies on outside counsel, and that this system has worked "well to date." Mr. Cho does not appear to have any firsthand knowledge pertaining to the docketing system that Mr. Prashkar might or might not have had in place, or the identity of the party who submitted the first maintenance fee. These are the relevant issues, and it is clear that Mr. Cho does not have any firsthand knowledge relating to them.

The requirement that Petitioner must address the issue of why this patent was not included in the list that was presented to Mr. Cho, and represented as Cynosure's complete patent portfolio, **does not appear to have been addressed.**

18 Id. at 2.

19 Id. .

20 Id.

Regarding the fourth point above, a statement of facts has not been provided from any of these three individuals. Petitioner has asserted that Mr. Furumoto is deceased. It appears that Petitioner has made the conscious decision not to provide a statement from Messrs. Crespo and Prashker, based on their indication to Petitioner that they had no recollection of any information related to this patent²¹. Nevertheless, statements from these individuals were required²², and they have not been provided. Without statements from the parties responsible for the payment of the maintenance at the time the patent lapsed, a determination as to whether the failure to pay the maintenance fee was unavoidable cannot be made. In the absence of such statements, we are left with speculation and conjecture as to what happened.

Conclusion

The prior decision that refused to accept, pursuant to 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, 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).

Since this patent will not be reinstated, Petitioner is entitled to a refund of the surcharge and the 7½ and 11½-year maintenance fees, but not the \$400 fee associated with the filing of this renewed petition pursuant to 37 C.F.R. § 1.378(e). These fees will be refunded to Petitioner's Deposit Account in due course.

²¹ See renewed petition, page 4.

²² On the fourth page of the renewed petition, Petitioner sets forth "...the Office suggested (emphasis added) that a renewed petition include statements" from these individuals. The fourth page of the decision on the original petition clearly set forth that the submission of these statements was not a mere suggestion, but rather that these statements were "required."

Telephone inquiries regarding this decision should be directed to Senior Attorney Paul Shanoski at (571) 272-3225²³.



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23 Petitioner will note that all practice before the Office should be in writing, and the action of the Office will be based exclusively on the written record in the Office. See 37 C.F.R. § 1.2. As such, Petitioner is reminded that no telephone discussion may be controlling or considered authority for any further action(s) of Petitioner.