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In re Patent of Kaylor et al. :
Patent No. 5,314,618 :
Application No. 08/038,641 :
Filed: March 29, 1993 :
Issued: May 24, 1994 :
For: OIL SKIMMER :

OFFICE OF PETITIONS

ON PETITION

This is a decision on the renewed petition under 37 CFR § 1.378(e), filed July 23, 2002, to reinstate the above-identified patent.

The petition is **DENIED**.¹

Since this patent will not be reinstated, maintenance fees and surcharges submitted by petitioner will be scheduled for a refund. The \$130 fee for requesting reconsideration is not refundable. Therefore the Office will refund \$1,125.

Background

The patent issued May 24, 1994. The 3.5 year maintenance fee could have been paid from May 24, 1997 through November 24, 1997, or with a surcharge during the period from November 25, 1997 to May 24, 1998. Petitioner did not do so. Accordingly, the patent expired May 25, 1998.

A petition under 35 USC 41(c)(1) and 37 CFR 1.378(b) was filed July 9, 2001, and was dismissed in the decision of July 24, 2001. The contents of the July 24, 2001 decision are hereby incorporated by reference. A request for reconsideration was filed on May 31, 2002. A request for information was mailed by the Office on July 10, 2002. The instant petition was filed on July 23, 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.

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 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

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).

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).

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 footnote 4. 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.

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

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

On an undisclosed date, petitioner's attorney mailed a maintenance fee reminder to petitioner's old address. The reminder was never received by petitioner. Petitioner did not pay the maintenance fee and the patent expired on May 25, 1998.

Petitioner was responsible for possessing knowledge of the existence of maintenance fees and taking steps to ensure such fees would be timely paid. Petitioner did not personally take any steps. Therefore, petitioner must establish that he obligated another party to take such steps and that the other party acted reasonably and prudently.

Petitioner asserts his attorney was responsible for providing notice to petitioner when the maintenance fee became due. However, since petitioner was relying on notice from the attorney,

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)).

⁷ See Ray v. Lehman, 55 F.3d 606, 610; 34 USPQ2d 1786, 1789 (Fed. Cir. 1995). The Letters Patent contains a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. While it is unclear as to who was and is in actual possession of the patent, Petitioner's failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay.

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 too 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.

petitioner failed to act reasonably and prudently when petitioner changed addresses and failed to notify the attorney of the change. A reasonable and prudent person, treating the patent as his or her most important business, would keep the attorney informed of a correct mailing address to ensure that notices from the attorney would be received. Petitioner has not demonstrated that petitioner was reasonable in expecting to receive notices from the attorney even though the attorney was not provided with a correct mailing address.

For the above reasons, the petition cannot be granted.

In addition to the previously discussed reasons, the petition will not be granted because petitioner failed to file a request for reconsideration of the initial decision within two months. The first decision was mailed on July 24, 2001. The request for reconsideration was not filed until May 31, 2002. Petitioner states that petitioner could not locate Mr. Lukasik since Mr. Lukasik was retired and out of the country. Petitioner fails to establish that petitioner was actively searching for Mr. Lukasik from the time petitioner received the decision until Mr. Lukasik was located. Petitioner fails to fully discuss the steps which were taken after receipt of the decision to promptly locate Mr. Lukasik. The petition fails to discuss when Mr. Lukasik returned to the United States. Mr. Lukasik's letter is dated April 12, 2002, but a request for reconsideration was not mailed until at least May 14, 2002. For the above reasons, the request for reconsideration filed May 31, 2002, and supplemented July 23, 2002, are untimely.

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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