



Paper No. 9

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JUN 20 2008

In re Patent No. 5,788,070 :  
Issue Date: August 4, 1998 :  
Application No. 08/873,939 :  
Filed: June 12, 1997 :  
Attorney Docket No.: WICK-001 :

OFFICE OF PETITIONS

ON PETITION

This is a decision on the petition filed April 9, 2007 under 37 CFR 1.378(e), requesting reconsideration of a prior decision mailed February 9, 2007, refusing to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent. This decision also treats the "Petition For The Suspension Of Rules under 37 CFR 1.183" filed on even date.

The petition under 37 CFR 1.378(e) is **DENIED**.<sup>1</sup>  
The petition under 37 CFR 1.183 is **DISMISSED**.

BACKGROUND

The patent issued August 4, 1998. Accordingly, the first maintenance fee due could have been paid during the period from August 6, 2001 through February 4, 2002 or with a surcharge during the period from February 5, 2002 through August 4, 2002. Additionally, the second maintenance fee could have been paid during the period from August 4, 2005 through February 6, 2006 or with a surcharge during the period from February 7, 2006 through August 4, 2006. This patent expired on August 4, 2002.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on June 26, 2006 in which petitioner asserted that the delay was unavoidable because he never received Notice that the maintenance fee paid February 8, 2001 was not accepted. Further petitioner argued that the envelope mailed January 18, 2006 containing the payment for the second maintenance fee was returned without any explanation. The petition was dismissed in a decision mailed February 9, 2007 for failure to provide a sufficient showing that the delay in paying the maintenance fee was unavoidable. Specifically, the decision requested that a showing of unavoidable delay would include a statement from the principals responsible for payment of the maintenance fees as to why

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<sup>1</sup>This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

action was not taken to timely submit the required maintenance fee while the patent was under their control.

The instant petition under 37 CFR 1.378(e) provides additional explanation as to why petitioners believe the payment of the first maintenance fee was delayed and why that delay was unavoidable.

### STATUTE AND REGULATION

35 USC 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

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

A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date, and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

### OPINION

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable". 35 USC 41(c)(1).

Acceptance of a late maintenance fee on the basis of unavoidable delay is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 41(c)(1) uses the identical language, *i.e.*, "unavoidable" delay. Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Ex parte Pratt, 1987 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable. In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912)("The word 'unavoidable' ... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913). In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671



F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

Petitioner's request for reconsideration asserts unavoidable delay on the ground that his former patent attorney, Ivar M. Kaardal, who was subsequently excluded from practice before the USPTO in 2004, "informed Petitioner that maintenance fees would eventually have to be paid to the United States Patent and Trademark Office (USPTO). However, neither Mr. Kaardal nor anyone else affiliated with ISC ever informed Petitioner of the specific time period requirements for submitting the fees, simply that there was a maintenance fee." Further, petitioner argues that he relied on the services of Mr. Kaardal and ISC and "mistakenly paid the maintenance fee too early, since he was never informed that the maintenance fee had to be paid within a certain window rather than simply before a certain date. Petitioner further argues that he was also never advised that the payment was paid too early and thus returned to his bank account which lead to the expiration of the patent.

This petition does not satisfy the requirement of 37 CFR 1.378(b)(3). The statements presented in the request for reconsideration fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 CFR 1.378(b).

At the outset, with regard to petitioner's contention that he was unaware when the maintenance fees were due, it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the fee.<sup>2</sup>

A delay resulting from a lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP does not constitute an "unavoidable" delay.<sup>3</sup> Therefore, petitioner's lack of awareness as to when the maintenance fees were due does not serve to excuse a delay in timely paying them, or relieve petitioner of the duty to show that he had steps in place to track and timely pay the maintenance fees. In the absence of a showing of the steps taken by or on behalf of petitioner, 37 CFR 1.378(b)(3) precludes acceptance of the maintenance fee.

At the time the payment was made for the first maintenance fee the record shows that the

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<sup>2</sup>Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1989)).

<sup>3</sup>See Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ 1130, 1132 (N.D. Ind. 1987), Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); Smith v. Diamond, 209 USPQ1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (1891).



patentee was represented if for only fee address purposes by Attorney Ivar Kaardal. No showing has been provided that petitioner had established any agreement however with Kaardal to track and pay the maintenance fee.

Petitioner argues reliance on his representative not for the purposes of paying the maintenance fees but instead to tell him when the maintenance fees were due. While petitioner allegedly chose to rely upon Kaardal, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. § 41(c).<sup>4</sup> Reliance upon the attorney merely shifts the focus of the inquiry from petitioner to whether the attorney or agent acted reasonably and prudently.<sup>5</sup> As such, assuming that the agent had been so engaged, then it is incumbent upon petitioner to demonstrate, via a documented showing, that the attorney or agent had docketed this patent for the first maintenance fee payment in a reliable tracking system.<sup>6</sup> If petitioner cannot establish that agent had been so engaged, then petitioner will have to demonstrate what steps were established by petitioner to monitor and pay the maintenance fee.

It is also noted that Kaardal was not excluded from practice before the USPTO until 2004, long after the patent had issued and expired. Unless petitioner can provide documentation that Kaardal continued to represent petitioner after issuance of the patent, the fact that Kaardal was excluded from practice has no bearing on petitioner's showing, as the record is devoid of evidence that Kaardal represented petitioner at the time the maintenance fee was due for purposes of tracking or paying the maintenance fee. Furthermore, assuming, *arguendo*, Kaardal had been employed by petitioner at the time the maintenance fee was due, petitioner is reminded that the United States Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the party, and petitioner is bound by the consequences of those actions or inactions.<sup>7</sup> Specifically, petitioner's delay caused by the mistakes or omissions of his voluntarily chosen representative(s) does not constitute unavoidable delay within the meaning of 35 USC 41(c) (1) and 37 CFR 1.378(b)(3).<sup>8</sup>

Apparently the petitioner believed that no such information from Kaardal was going to be forthcoming so he took it upon himself to pay the maintenance fees. Incidentally, the correct amount was paid, just not timely.

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<sup>4</sup>See California Med. Prod. v. Technol. Med. Prod., 921 F. Supp. 1219, 1259 (D. Del. 1995).

<sup>5</sup>Id.

<sup>6</sup>Id.

<sup>7</sup>Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); Smith v. Diamond, 209 USPQ1091, 1093 (D.D.C. 1981).

<sup>8</sup>Haines v. Quigg, *supra*; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); California, *supra*.



The requirement is for the timely payment of the maintenance fee. Since the window for payment did not open for payment of the first maintenance fee until August 6, 2001 thus, the payment made February 8, 2001 was made too early and properly returned to the payor. It was incumbent therefore upon the Patentee to know how much the maintenance fees were and when the maintenance fees were due, and to pay them within the specific windows established for payment of the maintenance fees. Petitioner's argument does not cover how it is that he knew the correct amount to pay, in spite of not paying when due.

In fact, at the time the maintenance fee fell due the showing of record is that neither Kardaal nor petitioner, had any steps in place to ensure payment of the maintenance fee. Delay resulting from the failure of the patent holder to have any steps in place to pay the fee by either obligating a third party to track and pay the fee, or by itself assuming the obligation to track and pay the fee, is not unavoidable delay.<sup>9</sup>

Moreover, a showing of diligence in matters before the USPTO is essential to support a finding of unavoidable delay herein.<sup>10</sup> Here, the showing is that petitioner simply had no system in place to track and pay the maintenance fee. The delay was not unavoidable, because had petitioner exercised the due care and diligence of a reasonably prudent person, petitioner would have been able to act to pay the fee when due. The record fails to adequately evidence that petitioner exercised the due care and diligence observed by prudent and careful persons, in relation to their most important business, which is necessary to establish unavoidable delay.<sup>11</sup>

In summary, the showing of record has been considered, but does not rise to the level of unavoidable delay. Rather, the showing of record is of a lack of diligence on the part of petitioner.

The prior decision which refused to accept under § 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 CFR 1.378(b).

As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing

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<sup>9</sup> See R.R. Donnelley & Sons Co. v. Dickinson, 123 F.Supp.2d 456, 460, 57USPQ2d 1244, 1247 (N.D. Ill. 2000); Ray, supra; California, supra; Femspec v.Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007).

<sup>10</sup> See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988) (applicant's diligent inquiry into the status of the application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his counsel).

<sup>11</sup> Pratt, supra.

to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken.

Petitioner further prays for relief under 37 CFR 1.183 which provides that "In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Commissioner or the Commissioner's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed." But even if that were the authority for the intended relief sought, the petition would fail as relief therein is reserved for extraordinary situations that don't traverse a statutory requirement.

35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force. The evidence shows that the patentee mailed the maintenance fee before the due date, however after the payment was returned to the payor, the maintenance fee was not again timely paid and thus, the patent expired. No extraordinary circumstance have been shown to have existed which prevented petitioner from diligently paying the maintenance fee within the specified time set out by statute, as a prudent person would have done, and as such, petitioner's prayer for relief under 37 CFR 1.183 for waiver of the requirement fails.

This file is being forwarded to Files Repository.

Telephone inquiries concerning this matter may be directed to Senior Petitions Attorney Patricia Faison-Ball at (571) 272-3212.

A handwritten signature in cursive script, appearing to read "Charles Pearson", with a long horizontal flourish extending to the right.

Charles Pearson  
Director, Office of Petitions  
Office of the Deputy Commissioner