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In re Patent No. 5,795,271 :
Issued: August 18, 1998 :
Application No. 08/678,227 : ON PETITION
Filed: July 11, 1996 :
For: EXERCISE MACHINE :

OFFICE OF PETITIONS

This is a decision on the petition under 37 CFR 1.378(e), filed November 14, 2007 and supplemented November 26, 2007.

The petition is DENIED¹.

BACKGROUND

The patent issued August 18, 1998. The 3.5 year maintenance fee could have been paid from August 18, 2001 to February 18, 2002 without a surcharge or from February 19, 2002 to August 18, 2002 with a surcharge. The maintenance fee, however, was not submitted. Accordingly, the patent expired August 18, 2002 for failure to timely submit the 3.5-year maintenance fee.

A petition under 37 C.F.R. § 1.378(b) to accept late payment of the maintenance fee was filed June 14, 2007 and dismissed September 17, 2007.

STATUTE AND REGULATION

35 U.S.C. 41(c)(1) states in pertinent part that:

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

37 C.F.R. § 1.378(b)(3) states that any petition to accept the delayed payment of a maintenance fee must include:

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

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

37 C.F.R. § 1.378(e) states in pertinent that:

"Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director."

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."² Moreover, a late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, i.e., "unavoidable" delay³. Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable⁴. Further, decisions on revival are made on a "case-by-case basis, taking all the fact and circumstances into account"⁵. Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has

² 35 U.S.C. 41(c)(1).

³ See, Ray v. Lehman, 55 F3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)).

⁴ See, Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "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"; In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912), Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

⁵ See, Smith v. Mossinghoff, 671 F.2d 533, 213 USPQ 977, 982 (D.C. Cir. 1982).

failed to meet his or her burden of establishing the cause of the unavoidable delay⁶.

While the decision on petition mailed September 17, 2007 advises that a petition to accept an avoidably delayed payment of maintenance fee must, *inter alia*, be accompanied by 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, petitioner has failed to enumerate the steps taken to ensure timely payment of the maintenance fee, the date and manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Thus, petitioner has failed to establish that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be timely paid. Petitioner has further failed to establish that the petition was filed promptly after the patentee became aware that the patent had expired. Petitioner has further failed to set forth what steps were promptly taken to file a petition to reinstate.

Further, as advised on decision mailed September 17, 2007, the petition must establish that the entire period of delay from the time that the maintenance fee was due until the time of the filing of a grantable petition has been unavoidable.

As discussed herein, petitioner attributes the failure to timely pay the maintenance fee to financial hardship that resulted from supporting an ill parent. Petitioner states that he was "unable to pay my periodic patent fees during the years of 2002-2005...". The petition submitted September 17, 2007 included medical insurance summaries, income tax returns, bank statements, and profit and loss statements for the years 2002 to 2006.

The petition submitted November 14, 2007 and supplemented November 26, 2007 includes copies of medical insurance summaries, medical billing summaries, and profit and loss statements for the years 2002 to 2007.

It has not been established from the evidence of record that petitioner was financially precluded from timely submitting the maintenance fee. The medical summaries do not establish that petitioner was responsible for paying the medical bills of his parent. For example, there are no copies of cancelled checks which would establish that petitioner was in fact responsible for paying

⁶ See, Haines v. Quigg, 673 F.Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

the medical bills accrued by his parent. To the extent some of the copies of the billing summaries reflect that a payment has been made, the billing summaries do not reflect receipt of payment from petitioner.

The petition submitted November 14, 2007, includes a letter purportedly from Allean Pearson, petitioner's parent. The letter, however, is not signed, and, thus, has been given limited weight insofar as the statements contained therein. Nonetheless, assuming arguendo, the facts as alleged in said letter to be accurate, i.e., that petitioner "handles all of my expense and takes care of my bills as well as his own," there is no supporting documentation to this effect in the record and such statement would be consistent with him using the mother's funds to pay her bills and not his own money.

Thus, it cannot be concluded that petitioner was responsible for paying his parent's medical expenses or that petitioner actually paid these expenses.

While petitioner maintains he was financially responsible for supporting his parent, of the tax returns submitted (tax year 2002 through tax year 2006), petitioner's parent is listed as a dependent only for tax year 2003. Thus, it cannot be concluded that at the time the maintenance fee was due, petitioner was not the sole source of support for an allegedly ill parent.

Moreover, the delay at issue concerns the entire period of delay from the time that the maintenance fee was due until the filing of a grantable petition.

Petitioner states he was unable to pay the maintenance fee from 2002-2005. Petitioner further indicates that he received a "return," presumably an income tax return, in 2003 which enabled him to "gain some control of those expenses."

It cannot be concluded that petitioner treated the instant patent as his most important business, as a reasonably prudent person who received a financial windfall would have used said windfall to seek reinstatement of the instant patent. Instead, petitioner chose to use the "return" he received in 2003 to address other "expenses."

As previously stated on decision, while petitioner alleges financial hardship precluded him from timely submitting the maintenance fee, petitioner was able to maintain expenses such as a car payment and cable television. Failure to timely remit the maintenance fee while maintaining such expenses does not reflect the due care and diligence employed by a reasonably prudent and careful person with respect to their most important business

(the patent), and as such, cannot demonstrate that the delay in paying the maintenance fee was unavoidable.

The record is not entirely clear as to the type of car that petitioner alleges to have made payments on in 2002-2005. In the documents submitted November 26, 2007, there is submitted an insurance form from Tennessee Farmers Mutual Insurance Company for 4/28 to 10/28 in each of the years 2002 through 2005. It is noted that the vehicle listed as covered is a 1988 Jeep Comanche Pioneer which would have been fourteen years old in 2002. A check of the "Kelly Blue Book" indicates that the manufacturer's suggested retail price for the vehicle in 1988 was \$10,991. According to the documents submitted, petitioner paid \$30,420 (\$292.50 times 26 biweeks/year times 4 years). This is approximately three times the value of the car when it was brand new. Furthermore, the insurance statement does not support that there was a note on this vehicle since under "lienholder" the notation "none" is used which cuts against the statement that petitioner had any car payments. While not definitive, these facts cast a cloud over the facts as presented by petitioner.

Petitioner alleges that he is now able to "retain some financial control" and has thus submitted the maintenance fee. This would seem to be contrary to the evidence at hand. The tax records submitted by petitioner reveals that petitioner received on average a tax refund of \$3,755.00 during the years 2003 to 2007. Petitioner did not elect to use these funds to seek reinstatement of the patent.

In view thereof, a nexus cannot be found between the alleged medical illness of petitioner's parent and the financial hardship complained of and the failure to timely remit the maintenance fee.

CONCLUSION

Petitioner has failed to establish that the delay was unavoidable since reasonable care was not taken to ensure that the maintenance fee would be paid timely and the petition was not filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent.

Petitioner has failed to enumerate the steps taken to ensure timely payment of the maintenance fee.

Petitioner has failed to set forth the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition to reinstate promptly.

Petitioner has failed to establish that he was precluded from timely remitting the maintenance fee due to financial hardship.

Petitioner has failed to establish that patentee took adequate steps to ensure timely payment of the maintenance fee as required by 37 CFR 1.378(b)(3). Since adequate steps were not taken by patentee, 37 CFR 1.378(b) precludes acceptance of the delayed payment of the maintenance fee. Petitioner may request a refund of the surcharge and maintenance fee submitted with the instant petition by writing to the Finance Office, Refund Section. A copy of this decision should accompany any request for refund.

DECISION

The prior decision dismissing petition under 37 CFR 1.378(b) to accept delayed payment of maintenance fee has been reconsidered. For the reasons set forth herein the delay in payment of the maintenance fee cannot be regarded as unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b). Accordingly, the offer to pay the delayed maintenance fee will not be accepted and this patent will not be reinstated.

This file is being forwarded to the files repository.

Telephone inquiries concerning this decision may be directed to Petitions Attorney Alesia M. Brown at 571-272-3205.



Charles Pearson
Director
Office of Petitions

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