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MAILED

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OFFICE OF PETITIONS

In re Patent No. 5,966,329	:	
Issue Date: 12 October 1999	:	
Application No. 08/948,147	:	DECISION ON PETITION
Filed: 9 October 1997	:	
Attorney Docket No. M-7871-US	:	
Patentee(s): Hsu, et al.	:	

This is a decision on the petitions filed on 6 August 2009, properly treated as a petition pursuant to 37 C.F.R. §1.378(b) and (e) requesting acceptance of payment of a maintenance fee for the above-referenced patent as having been unavoidably delayed.

The petition pursuant to 37 C.F.R. §1.378(b) and (e) is **DENIED**.

A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) must be accompanied by:

- (1) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be timely paid;
- (2) payment of the appropriate maintenance fee, unless previously submitted; and
- (3) payment of the surcharge set forth in 37 C.F.R. §1.20(i)(1).

The instant petition fails to satisfy the showing requirement (1) described above.

BACKGROUND

The patent issued on 12 October 1999. The first maintenance fee could have been paid during the period from 12 October 2002, through 12 April 2003, or with a surcharge, during the period from 13 April 2003, through 12 October 2003.

Accordingly, the patent expired after midnight 12 October 2003 for failure to timely pay the first maintenance fee.

The renewed petition pursuant to 37 C.F.R. §1.378(b) was filed on 6 August 2009. The fees for the renewed petition were charged as authorized to Deposit Account 08-1394.

STATUTE AND REGULATION

The grant of authority at 35 U.S.C. §41(c)(1) provides 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.

The regulations 37 C.F.R. §1.378(b)(3) thus set forth 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 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. (Emphasis supplied.)

OPINION

The Director may accept late payment of the maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) if the delay is shown to the satisfaction of the Director to have been "unavoidable."

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" 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)).

Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable. In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." *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 man in relation to their most important business"); *In re Mattullath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912); *Ex parte Henrich*, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913). 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).

In essence, Petitioner must show that he was aware of the need to pay the maintenance fee, and to that end was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was “unavoidably” prevented from making the maintenance fee payment until the petition was filed. In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. *Ray*, 55 F.3d at 608-609, 34 USPQ2d at 1787. It is incumbent upon the patent owner to implement steps to schedule and pay the fee, or obligate another to do so. See: *California Medical Products v. Technol. Med. Prod.*, 921 F.Supp 1219, 1259 (D. Del. 1995).

Moreover, the provisions of 35 U.S.C. §41(c)(1) do not require an affirmative finding that the delay was avoidable, but only an explanation as to why the Petitioner has failed to carry his or her burden to establish that the delay was unavoidable. See *Commissariat A. L'Energie Atomique v. Watson*, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960). The provisions of 35 U.S.C. §133 do not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing. Thus, it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable. See *Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd* 937 F.2d 623 (Fed. Cir. 1991)(table), *cert. denied*, 502 U.S. 1075 (1992); *Ray v. Lehman, supra*.

Because 35 U.S.C. § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. *Ray*, 55 F.3d at 609, 34 USPQ2d at 1788. That is, 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 by the responsible party to ensure the timely payment of the maintenance fee for this patent. *Id.*

There are three periods to be considered during the evaluation of a petition under 37 C.F.R. §1.378(b):

- (1) The delay in reply that originally resulted in expiration;
 - (2) The delay in filing an initial petition pursuant to §1.378(b) to reinstate the patent; and
 - (3) The delay in filing a grantable petition pursuant to §1.378(b) to reinstate the patent
- See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131 at 53158 (October 10, 1997).

Period (1) - Delay that originally resulted in expiration

Prior Counsel originally submitted the matter as a petition pursuant to 37 C.F.R. §1.377 averring that the Office had refused to accept the payment of the first maintenance fee. That petition was dismissed on 24 June 2008, because prior Counsel provided only an averment that the maintenance fee was intended to be sent, but made no showing whatsoever that the papers ever were received by the Office (e.g., a date-stamped receipt card pursuant to MPEP §503) and that:

- The Office subsequently refused to accept the payment; or
- The papers were misplaced in the Office after their receipt.

In the decision of 24 June 2008, Petitioner was given two (2) months to respond. Petitioner instead responded in four (4) months, on 2 October 2008—Petitioner asserted that the petition was not a renewal of the prior petition. At that time, Petitioner sought relief pursuant to:

- The regulations at 37 C.F.R. §1.378, averring unavoidable delay;
- The regulations at 37 C.F.R. §1.182, seeking relief otherwise not available; and
- The regulations at 37 C.F.R. §1.183, seeking waiver of applicable regulations.

The sum and substance of Petitioner’s argument is that prior Counsel sent payment to the Office in April 2003, notably, Petitioner presented no evidence (e.g., a date-stamped receipt card, *see*: MPEP §503) that the Office ever:

- received the payment;
- acknowledged receipt of the payment; or
- charged the payment as averred to the then-authorized Deposit Account (50-2257).

The decision of June 24, 2008 stated that: “The showing of record as of this writing is inadequate to establish improper refusal of the maintenance fee by the Office within the meaning of 37 CFR § 1.377, and absent completion of a documentary showing as to the instant matter regarding the patentee/assignee planning for and seeking to timely pay the first maintenance fee, a petition cannot be granted under the provisions of 37 CFR § 1.377.” Simply put, the record lacks sufficient evidence to establish the cause of the delay that resulted in the expiration of the patent.

Period (2) - Delay in filing an initial petition

Thus, in addition to Petitioner’s failure to evidence that the Office received the payment, acknowledged receipt of the payment, and charged the payment as averred to the then-authorized Deposit Account, the record is silent as to a showing that the MacPherson Firm had in place any

program to support a staff properly trained to effectively operate the software so as to provide a reasonably effective system for calendaring and servicing of the maintenance fees for the '329 patent—and, specifically, the first maintenance fee for the '329 patent.

As a result:

- “One of the docketing staff members—as to which one, Ms. Kolden cannot identify from the record—mistakenly calendared and ‘Application Postcard Rec’d’ docket item, rather than the intended ‘MF 3.5 Postcard Rec’d?’ docket item *** [which] was used at the Firm to calendar an expected receipt of a return receipt postcard ***.” (Petition of 6 August 2009, at page 5 and Kolden Declaration at paragraphs 21-22.)
- “Because of the docketing error (sic), Alan MacPherson, Esq. and Colleen Eastman (i.e., the attorney and staff member of the Firm responsible for the '329 patent, respectively) were not alerted to the fact that the U.S. Patent and Trademark Office may not have received the 3.5 Year Maintenance Fee Transmittal. As a result of the docketing error (sic), the [MacPherson] Firm did not become aware of a problem with the 3.5 year Maintenance Fee Transmittal until the Notice Non-Acceptance of the Patent Maintenance Fee, dated February 20, 2007, was received.” (Petition of 6 August 2009, at page 5 and Kolden Declaration at paragraphs 23-24.)

While the MacPherson Firm may have purchased the IP Master software and obtained docketing services from Remarque Docketing and IP services, when it came to the actual service of the '329 patent, the facts of record do not demonstrate that a system was in place that included a docketing system (e.g., docketing software) and properly trained and supervised personnel that together made possible the accurate input of data to properly maintain the '329 patent.

Petitioner never addressed the issue that there was no review by the MacPherson firm of its Deposit Account between April 2003 and late February 2007, which review would have reflected that funds—which were received from the client and transferred to the MacPherson Firm Deposit Account—never were charged by the Office.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of “unavoidable” delay, provided it is shown that: (A) the error was the cause of the delay at issue; (B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and (C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. See *In re Egbers*, 6 USPQ2d 1869, 1872 (Comm’r Pat. 1988), rev’d on other grounds sub nom., *Theodor Groz & Sohne & Ernst Bechert Nadelfabrik KG v. Quigg*, 10 USPQ2d 1787 (D.D.C. 1988); *In re Katrapat*, 6 USPQ2d 1863, 1867-68 (Comm’r Pat. 1988).

The showing as to Period (2) is lacking in that the employee who made the docketing error has not been identified. Thus, it cannot be said that the employee was sufficiently trained or properly

supervised. Petitioner has not established the facts to show that the delay in the second period was unavoidable.

Period (3) - Delay in filing a grantable petition

It is noted that on request for reconsideration Petitioner submitted, *inter alia*, a three (3) page document (Exhibit AA attached to the petition) apparently printed from the website of an entity identified as Remarque Docketing and IP Services (Remarque) (<http://www.remarque.com/>). Petitioner indicates that it was from this entity that former Counsel's office (the MacPherson Firm) purchased docketing services. The record, as established by petitioner, details the training provided in the third of three pages ("About US"). The exhibit states that:

Remarque was cofounded by Evelyn A. Martin, an IP paralegal, and F. David LaRiviere, a patent attorney. Their combined experience brings both depth and scope to this specialized legal staffing service. Evelyn Martin personally trains Remarque's professionals in all aspect of IP management. Our staff understands your IP needs and can identify any potential problems before they occur. Maximize your IP assets with Remarque Docketing & IP Services.

Petitioner has not provided any specifics as to the training provided to those described as "Remarque professionals." It is noted in passing that a review of the USPTO website did not evidence a registration to practice before the Office for an attorney or agent in the name of F. David LaRiviere.

On request for reconsideration, Petitioner identified, in addition to former Counsel Mr. MacPherson (deceased):

- Chelie Kolden (Ms. Kolden): the MacPherson Firm administrator between 17 April 2002, and 31 January 2009;
- Paula Nunez (Ms. Nunez): a "professional consultant from [the] commercial docketing and IP service, Remarque Docketing and IP Services"; (Petition of 6 August 2009, at page 4)
- Regina DeAnda (Ms. DeAnda): whom "Ms. Kolden invited *** to join the firm based on her own observation and favorable input by others knowledgeable of Ms. DeAnda's work"; (Petition of 6 August 2009, at pages 4-5.) and
- Colleen Eastman (Ms. Eastman), the person identified as "the staff member of the [MacPherson] Firm responsible for the '329 patent." (Petition of 6 August 2009, at page 5).

On request for reconsideration Petitioner suggested that documentary and narrative evidence of unavoidable delay with regard to failing to pay by midnight 12 October 2003, the maintenance fee (and surcharge) for the '329 patent are the following:

- Ms. Kolden was the MacPherson "Firm Administrator *** [and] the head of many administrative function within the Firm, including calendaring or 'docketing' of due dates relating to matters before the U.S. Patent and Trademark Office *** [and therefore] Ms. Kolden is knowledgeable about the procedures in place that should have avoided the error resulting in the delay ***." (Petition of 6 August 2009, at page 2 and Kolden Declaration at paragraphs 1 and 4.)
- "[S]ince the founding of the [MacPherson] Firm [to its merger] into the current Haynes and Boone law firm, the [MacPherson] Firm had in place a computer program, known as 'IP Master,' which maintain[ed] the Firm's docket *** [and] two persons—Ms. Paula Nunez, an outside docketing professional, and Ms. Regina DeAnda—were responsible for the Firms docketing duties." (Petition of 6 August 2009, at page 2-3 and Kolden Declaration at paragraph 5.)
- One of the docket staff members - as to which one, Ms. Kolden cannot identify from record - mistakenly calendared an "Application Postcard Rec'd?" docket item, rather than the intended "MF 3.5 Postcard Rec'd?" docket item (Kolden Declaration, ¶ 21, Exhibit BB). The "Application Postcard Rec'd?" docket item was used at the Firm to calendar an expected receipt of a return receipt postcard accompanying the transmittal of a new patent application, rather than to calendar the expected receipt of a return receipt postcard accompanying a 3.5 year maintenance fee transmittal (Kolden Declaration, ¶ 22).

Petitioner states that this docketing error prevented the MacPherson firm from discovering that the maintenance fee had not been received by the United States Patent and Trademark Office.

Petitioner submitted no statements from Ms. Nunez, Ms. DeAnda or Ms. Eastman. (Petition of 6 August 2009, at page 5.) Petitioner also did not provide any evidence as to the training Ms. DeAnda received at the Skjerven Firm and the MacPherson Firm and how, if in any way, that training might serve in the operation and support of the IP Master software in use by the MacPherson Firm and in cooperation with Remarque Docketing and IP Services from which the MacPherson Firm obtained docketing services. Further, it is not clear from the record that Ms. Nunez, the Remarque Professional, was sufficiently trained and supervised. Finally, it is not clear from the record, who committed the docketing error.

Finally, even if a breach of duty by Counsel was the cause of the failure to maintain the patent and/or demonstrate unavoidable delay, those actions or inactions are imputed to the patent owner, who selected Counsel. *Link v. Wabash Railroad Co.*, 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962). Thus, in the absence of a clear showing that the attorney/agent acted to deceive the client, the neglect of a party's attorney is imputed to and binds the party by the consequences. *See Huston v. Ladner*, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); *Herman*

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Rosenberg and Parker-Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931). Were the Office to hold that an attorney's negligence constitutes good cause for failing to meet the Office's requirements, the Rules of Practice would become meaningless.

CONCLUSION

The prior decision which refused to accept under 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 has not been shown by petitioner to have been unavoidable within the meaning of 35 U.S.C. §41(c)(1) and 37 C.F.R. §1.378(b).

The petition under 37 C.F.R. §1.378(e) is **denied**.

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.)

Since this patent will not be reinstated, a refund check covering, the maintenance fee and surcharge fee, less the \$400.00 fee for the present request for reconsideration, has been scheduled.

Telephone inquiries regarding this decision should be directed to John J. Gillon, Jr., attorney, at 571-272-3214.



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