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OFFICE OF PETITIONS

In re Patent No. 5,968,125 :
Issue Date: 10/19/1999 :
Application Number: 08/787,532 : DECISION ON PETITION
Filing Date: 01/21/1997 :
Attorney Docket Number: 59500 :

This is a decision on the petition, filed on September 27, 2010, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent.

The petition under 37 CFR 1.378(e) is DENIED.²

BACKGROUND

The patent issued on October 19, 1999. The first maintenance fee could have been paid from October 19, 2002, through April 21, 2003, or, with a surcharge during the period from April 22, through October 19, 2003. Accordingly, the patent expired at midnight on October 19, 2003, for failure to timely submit the first maintenance fee.

¹ A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be include

- (1) the required maintenance fee set forth in § 1.20(e) through (g);
- (2) the surcharge set forth in §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 aware of the expiration of the patent, and the steps taken to file the petition promptly.

² As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken. 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 1001.02.

The petition under 37 CFR 1.378(b) filed on March 19, 2010, was dismissed on July 27, 2010. On September 27, 2010, the subject request for reconsideration under 37 CFR 1.378(e) was filed.

Petitioners again assert that registered patent practitioner John Paniaguas ("Paniaguas"), of the law firm Fitch, Even, Tabin & Flannery ("Fitch") was engaged to prosecute the application which matured into the subject U.S. Patent. Patentee George Garrick ("Garrick") a joint inventor and Chief Executive Officer of assignee Net. Roi, communicated with Paniaguas concerning prosecution of the application, and was apparently responsible for authorizing payment of the maintenance fees after issuance of the patent. Petitioners further assert that during the prosecution of the patent, Garrick relocated several times, from Chicago to Winnetka, Illinois, then to Mountain View, California, and ultimately to Apherton, California, but that "[c]orrespondence from Mr. Paniaguas and Fitch were directed, uninterruptedly, to Mr. Garrick at his respective new residences."

Petitioners state that shortly after the patent issued, on October 19, 1999, Paniaguas sent a letter to Garrick stating that Fitch would track the maintenance fees and inform Garrick at the time the patent maintenance fees were due. As such, Garrick believed that he would be informed by Fitch at the time the first maintenance fee for the patent was due.

Petitioners further aver that in late 1999 or early 2000, Paniaguas left the Fitch firm, and responsibility for the subject patent was transferred to a second patent practitioner, James P. Krueger ("Krueger"), at Fitch.

Petitioners continue in that on or around June, 2002, Garrick engaged a third patent practitioner, Judith A. Szepesi ("Szepesi") of the firm Blakely Sokoloff ("Blakely") to prosecute a reissue application for patent based on the subject patent.

Petitioners state that "At that time, it was Mr. Garrick's understanding that the maintenance of the '125 patent would continue to be handled by Fitch. Alternatively, Mr. Garrick believed that responsibility for the maintenance of the '125 patent would be transferred to the Blakely (firm) due to Blakely filing the reissue application on Mr. Garrick's behalf. That is, Mr. Garrick believed that Fitch and Blakely would communicate amongst themselves to ensure that the '125 patent was maintained, as is required during the pendency of the '635 reissue application."

Petitioners further state that on March 28, 2003, prior to the due date for the maintenance fee, Fitch sent a letter to Garrick informing him that the maintenance fee was due, but the letter was returned as undeliverable because Garrick had relocated to Chicago.

Accompanying the petition is a declaration by Krueger, in which he states his customary practice to attempt to locate a more recent address when a letter to a client is returned as undeliverable, but that he has no specific recollection of the attempts to obtain a new address for or contact Garrick.

Also accompanying the subject renewed petition is a letter from Szepesi, in which she states that she (and Blakely) had no record of receiving instructions to docket payment of the maintenance fees for the subject patent, and therefore believe that the responsibility for tracking and paying the maintenance fees in the subject patent "was retained by a prior counsel or the client."

Lastly, petitioner asserts that the delay in filing the initial petition, after learning that the patent had become expired, was not unavoidable, in that a period of time was required to diligently and thoroughly investigate the facts surrounding the expiration of the patent, and prepare the subject petition.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required subsection (b) of this section which is made within twenty-four months after the six-month grace period if this delay is shown to the satisfaction of the Director to have been unintentional, or 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 CFR 1.378(b)(3) states that any petition to accept an unavoidably 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.

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".³ A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."⁴ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁵ Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35 U.S.C. § 133.⁶ Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁷ However, 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.⁸ In view of In re Patent No. 4,409,763,⁹ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

³ 35 U.S.C. § 41(c)(1).

⁴ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁵ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁶ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁷ 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, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

⁸ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁹ 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

As 35 U.S.C. § 41(c) 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.¹⁰ That is, an adequate showing that the delay was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent.¹¹

35 U.S.C. § 41(c)(1) does 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.¹² Petitioner is reminded that 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.¹³

Petitioners' argument, essentially, is that the delay is unavoidable because Garrick believed Fitch and/or Blakely would timely inform him that the maintenance fee was due. Petitioner further asserts that Garrick was justified in assuming that Fitch would contact him, despite his relocation, because during prosecution there had been no interruptions in communications, despite Garrick's several relocations.

The showing of record has been carefully considered, but is not persuasive. Rather than unavoidable delay, the showing of record is that the maintenance fee was not timely paid due to a failure of communication between attorney and client. To wit, the failure of Garrick to keep the attorneys tracking and paying the maintenance fee, Fitch, apprised of his current address.

Simply put, Garrick cannot be considered to have treated this matter with the level of care commensurate with a reasonably

¹⁰ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹¹ Id.

¹² Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960) (35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing).

¹³ 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.

prudent person acting with regard to his most important business inasmuch as he failed to (a) inform Fitch of his current address and (b) confirm whether Blakely or Fitch would be responsible for tracking the maintenance fees. A patentee acting with the level of care of a reasonable prudent person acting with regard to his most important business would verify who was responsible for tracking the maintenance fee and ensure that that responsible person was able to contact patentee (i.e., knew patentee's current address) regarding the payment of the maintenance fee, rather than assume, based on the absence of further communication that petitioner had regarding that particular patent or fee payment, that his counsel had discovered his new address after patentee relocated, or that a different counsel handling a separate matter (i.e., the reissue application) had *sua sponte* undertaken the responsibility for tracking this maintenance fee.

Likewise, petitioner's apparent argument that Garrick was justified in assuming that Fitch would contact him, despite his relocation, because Fitch's correspondence, during prosecution of the application was "directed, uninterruptedly" to Garrick's new address, is also without merit. While such forwarding may have previously occurred, petitioner was not entitled to rely on the US Postal Service forwarding mail or informing Fitch of petitioner's new address as constituting diligence on the part of petitioner. Certainly, petitioner could not reasonably assume that, after passage of an extended period of time without any correspondence, mail addressed to an old address would continue to be forwarded.

By way of example, if patentee was receiving a yearly annuity check by mail, it seems inconceivable that he would, after relocating, not inform the payor of the new address, but rather assume that the payor (and/or the post office) would determine the proper mailing address and forward the payments accordingly.

In this regard, delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b).¹⁴ Moreover, the Office is not the proper forum for resolving a dispute as to the effectiveness of communications between the parties regarding the responsibility for payment a maintenance fee.¹⁵

¹⁴ See Ray, at 610, 34 USPQ2d at 1789.

¹⁵ Id.

In summary, petitioner's statement that Garrick assumed that Fitch would be able to contact him in a timely manner, regardless of any change of address, or that Blakely would track and pay this maintenance fee, despite the lack of any specific writing evidencing Blakely's undertaking this responsibility, shows that petitioner Garrick's preoccupation with other matters which took precedence over payment of the maintenance fees for the above-identified patent constitutes a lack of diligence, not unavoidable delay.¹⁶ As petitioner has not shown that the standard of care observed by a reasonable person in the conduct of his or her most important business has been exercised, the petition is DENIED.¹⁷

CONCLUSION

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. The petition under § 1.378(c) has also been considered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable, or unintentional, within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b) and (c).

Since this patent will not be reinstated, the maintenance fee(s) and surcharge fee(s) submitted by petitioner will be refunded to counsel's deposit account. The \$400.00 fee for reconsideration will not be refunded, and will be deducted from the amount refunded.

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

The patent file is being returned to Files Repository.

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 571-272-3231.



Anthony Knight
Director, Office of Petitions

¹⁶ See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

¹⁷ See Note 7, supra.