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LADAS & PARRY
SUITE 2100
5670 WILSHIRE BOULEVARD
LOS ANGELES CA 90036-5679

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OFFICE OF PETITIONS

In re Patent No. 6,091,817	:	
Issue Date: 07/18/2000	:	
Application Number: 08/957,722	:	DECISION ON PETITION
Filing Date: 10/24/1997	:	
Attorney Docket Number: B-3025PCT-CO	:	

This is a decision on the petition filed on December 14, 2010, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept the unintentionally delayed payment of a maintenance fee and reinstate the above-identified patent.

The petition to accept the delayed payment of the maintenance fee and reinstate the above-identified patent is **DENIED**.[1]

BACKGROUND

On July 18, 2010, the patent issued. The first maintenance fee was timely paid. The second maintenance fee could have been paid from July 18, 2007, through January 18, 2008, or, with a surcharge, during the period from January 19 through July 18, 2008. Accordingly, the present patent expired at midnight on July 18, 2008, for failure to timely submit the second maintenance fee.

[1] 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.

A petition under 37 CFR 1.378(c) was filed on July 15, 2010. A decision dismissing the petition was mailed on October 14, 2010.

The instant petition under 37 CFR 1.378(e) was filed on December 14, 2010.

Petitioners request reconsideration in that the decision of Luc Ferange (hereinafter "Ferange"), administrative officer with assignee Intellect International NV (hereinafter "Intellect", also referred to herein as "petitioners"), and the person at Intellect responsible for payment of the maintenance fee, was not an intentional decision by patent owner Intellect not to pay the maintenance fee in the present patent.

In essence, petitioners state that Ferange's role as the individual who made the decision to pay *vel non* the maintenance fee in the subject patent was simply ministerial, and, further, that Ferange was without authority to pay, or not pay, the maintenance fee in the subject patent.

Petitioners cite *In re Maldague*,[2] which states, in part, that a distinction may be made between a mistake of fact, which may form the basis for a holding of unintentional abandonment under 37 CFR 1.137(b), and the arrival at a different conclusion after reviewing the same facts a second time.[3] Petitioners state that Ferange's decision not to pay the maintenance fee was a "mistake of fact" in that Ferange was mistaken as to whether the subject patent was included within a group of patents, referred to as the Hardware Portfolio, for which the assignee had previously determined to withhold payment of the maintenance fees required to maintain said patents in force.

Ferange further states, in pertinent part, in his declaration filed with the subject renewed petition:

> 5. I am employed as an administrative officer by Intellect International NV….
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> 6. I have never had (and do not have) any understanding of the nature of any of the patents, including the HUTS Patents (which includes the subject patent). I have no technical, legal, or Patent Attorney qualifications or experience.

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[2] 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

[3] Id.

7. As set out in paragraph 5 and 6 of my First Declaration, at all relevant times, I was responsible for the administration of payments for patent maintenance fees for the Hardware Portfolio. I had no part in the substantive decision whether or not to renew the Hardware Portfolio.

8. I have never had any authority or responsibility in relation to the HUTS Patents, including with respect to payment of maintenance fees.

...

11. The true position was that the HUTS Patents (which include the subject patent) was not at any time part of the Hardware Portfolio. I did not know this during the renewal period. I only became aware of this fact at the time of declaring my First Declaration (when Mr Simon Davey informed me that this was the case.)

12. As stated above, I am employed as an administrative officer by Intellect International NV. The task I was instruct to perform with respect to the Hardware Portfolio was purely administrative in nature; I was to check the number of the patent on the renewal notice against the numbers on the renewal list. If the number matched a number on the renewal list I was to renew the patent. If it did not, I was not to renew the patent.

13. I took no action with respect to the renewal of the HUTS Patents because when I received the Renewal Notices they did not correspond to the patent numbers on the renewal list.

14. I am now aware that as the HUTS Patents were not (and had never been) part of the Hardware Portfolio, they were not (and would never have been) on the renwal list provided to me as that list related solely to the Hardware Portfolio (refer paragraph 9 of my First Declaration.

STATUTE AND REGULATION

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 which is made within twenty-four months after the six- month grace period if the 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. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(a) provides that:

> The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

37 CFR 1.378(c) provides that:

> Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in § 1.362(e) and must include:
>
> (1) The required maintenance fee set forth in § 1.20 (e) through (g);
>
> (2) The surcharge set forth in § 1.20(i)(2); and
>
> (3) A statement that the delay in payment of the maintenance fee was unintentional.

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 "unintentional"; see 35 USC 41(c)(1) and its promulgating regulation 37 CFR 1.378(a). That is, the plain language of the statute permits reinstatement of an expired patent, provided the delay in payment of the maintenance fee was "unintentional."[4] Nevertheless, the congressional intent is that USPTO acceptance of a delayed maintenance fee is discretionary, and contingent upon a showing satisfactory to the Director, that the delay was "unintentional."[5]

The "unavoidable" standard in 35 U.S.C. § 41(c)(1) is identical to the "unavoidable" standard in 35 U.S.C. § 133 for reviving an abandoned application because 35 U.S.C. § 41(c)(1) uses the same language (*i.e.*, "unavoidable" delay).[6] Likewise, the "unintentional" standard in 35 U.S.C. § 41(c)(1) is the same as the "unintentionally" standard in 35 U.S.C. § 41(a)(7) because 35 U.S.C. § 41(c)(1) uses the same word ("unintentional"), albeit in a different part of speech (*i.e.*, the adjective "unintentional" rather than the adverb "unintentionally"). With regard to the "unintentional" delay standard:

> Where the applicant deliberately permits an application to become abandoned (*e.g.*, due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as "unintentional" within the meaning of [37 CFR] 1.137(b). . . . An intentional delay resulting from a deliberate course of action chosen by the applicant is not affected by: (1) the correctness of the applicant's (or applicant's representative's) decision to abandon the application or not to seek or persist in seeking revival of the application; (2) the

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[4] See Centigram Communication Corp. v.. Lehman, 862 F.Supp. 113, 118, 32 USPQ2d 1346, 1350 (E.D. Va. 1994), appeal dismissed, 47 F.3d 1180 (Fed. Cir. 1995).

[5] Id. at 116, 32 USPQ2d at 1348.

[6] See Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(citing In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990)).

> correctness or propriety of a rejection, or other objection, requirement, or decision by the Office; or (3) the discovery of new information or evidence, or other change in circumstances subsequent to the abandonment or decision not to seek or persist in seeking revival.[7]

35 U.S.C. § 41(c)(1) authorizes the Director to accept a delayed maintenance fee payment "if the delay is shown to the satisfaction of the Director to have been unintentional." 35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was intentional, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unintentional.[8]

Petitioners have failed to carry the burden of proof to establish to the satisfaction of the Director that the delay in payment of the third maintenance fee for the above-identified patent was unintentional within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(c).

Petitioners request reconsideration in that:

> [T]he delayed payment of the maintenance fee was due to **a mistake of fact**, not an intentional or deliberate abandonment of the patent within the meaning of 37 CFR 41(a)7 and 37 CFR 1.137(b).
>
> As discussed in *In re Maldague*, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988), the decision cited at footnote 4 of the Decision:
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> 'A distinction must be made between a mistake of fact, **which may form the basis for a holding of unintentional abandonment under 37 CFR 1.137(b)**, and the arrival at a

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[7] See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131, 53158-59 (October 10, 1997), 1203 Off. Gaz. Pat. Office 63, 86 (October 21, 1997)(discussing the meaning of "unintentional" delay in the context of the revival of an abandoned application).

[8] 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 Director to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing); see also In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989) (petition under 37 CFR 1.137(b) denied because the applicant failed to carry the burden of proof to establish that the delay was unintentional).

> different conclusion after reviewing the same facts a second time.'
>
> (emphasis in original)

Specifically, petitioners assert that the delay was due to a mistake of fact in that Luc Ferange, the individual at assignee Intellect International BV, with responsibility for payment of the maintenance fee, did not renew the subject patent based on the mistaken belief that the subject patent was part of the Hardware Portfolio, a group of patents which the assignee had decided not to pay the maintenance fee(s).

Petitioners' argument has been considered, but is not persuasive. At the outset, *In re Maldague* states that a mistake of fact **may** form the basis for a withdraw of the holding of abandonment.[9] (emphasis added)

Black's Law Dictionary[10] defines a mistake of fact as:

> A mistake not caused by the neglect of a legal duty on the part of the person making the mistake, and consisting in (1) an unconscious ignorance or forgetfulness of a fact, past or present, material to the contract; or (2) believe in the presence existence of a thing material to the contract which does not exist, or in the past existence of a thing which has not existed.[11]

In the subject case, contrary to a mistake of fact, it is undisputed that Ferange knew the existence of the subject patent, but deliberately allowed the patent to expire, as it was not on the list of patents for which he was instructed to pay the maintenance fees. Upon subsequent review, after the patent had expired for failure to timely pay the maintenance fee, Dewey realized that this patent **was** a patent which was of sufficient value that the maintenance fee should have been timely paid.

The showing of record is that **no** mistake was made by Ferange. Rather, the system that Intellect had in place was for a list of patent numbers to be given to Ferange, and, based upon that list, the maintenance fee was to be paid. The instant patent was not on the list and, in accordance with the system, the fee was not

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[9] 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

[10] 6th ed., 1990.

[11] Id., at 1001.

paid. Any argument that the patents were part of a group of patents, for which the maintenance fees should have been paid, is irrelevant since the system in place was to follow the list and nothing of record supports a finding that Ferange should have, of his own accord, deviated from the list.

The showing of record mitigates away from the type of mistake of fact which would permit acceptance of the delayed maintenance fee pursuant to 37 CFR 1.378(c). Rather, the type of mistake is consistent with that described in Maldague,[12] in which it was determined that counsel's deliberate decision to allow an application for patent to become abandoned precluded revival under 37 CFR 1.137(b). As stated by the Commissioner, an intentional act is not rendered unintentional when an applicant reviewing the same facts changes his mind as to the appropriate course of action to pursue.[13]

A delay caused by the deliberate decision not to take appropriate action within a statutorily prescribed period does not constitute an unintentional delay within the meaning of 35 U.S.C. § 41.[14] Such intentional action or inaction precludes a finding of unintentional delay, even if the agent-representative made his decision not to timely take the necessary action in a good faith error.[15] In this regard, when the maintenance fee fell due, petitioner did not intend to make the payment, or cause the payment to be made. As such, the delay resulting from this deliberate action (or inaction) of petitioner cannot reasonably be regarded as "unintentional." The showing of record does not support an error in judgment on the part of Ferange. He had a list of patent numbers. The present patent was not on the list. He did not pay the maintenance fee for the present patent. Simply put, Ferange did not have discretion, and, consequently, he did not have the ability, to make a good faith error of judgment of the type suggested by this petition.

Rather, the showing of record is that, when the maintenance fee was due, Ferange determined that there was no compelling reason to continue this patent in force. Ferange essentially asserts that subsequent to the expiration of the patent, petitioners discovered the full value of this patent to Intellect, and that if petitioners had been aware of this information prior to the maximum statutory period for payment of the maintenance fee,

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[12] See Note 2, supra.

[13] Maldague, supra, at 1478.

[14] In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989).

[15] In re Maldague, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

petitioners would have directed that the maintenance fee be paid in a timely manner. However, the showing of record is that there was no good faith error in judgment by Ferange.

The discovery of additional information after making a deliberate decision to withhold a timely action is not the "mistake in fact" that might form the basis for acceptance of a maintenance fee pursuant to 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c), under the reasoning of Maldague. The discovery of additional or other information is simply a change in circumstances that occurred subsequent to the expiration of the patent. That Ferange discovered such additional or other information subsequent to the expiration of this patent does not cause the delay resulting from Ferange's previous deliberate decision to become "unintentional."[16] Petitioners contend that the instant petition is based upon a mistake of fact and not a change of mind after reviewing the facts a second time. Nevertheless, the latter condition is precisely the situation herein. Petitioners now seek to revisit the decision of Ferange, and come to the opposite conclusion of Ferange. Petitioners overlook that salient fact that the entire delay resulting from the decision of Ferange, as it results from a conscious and deliberate decision, cannot now be regarded as unintentional.[17] Obviously, Intellect now wishes that Ferange had been given the instructions to pay the maintenance fee. Nevertheless, what Intellect now wishes or intends and what Ferange would have wished or intended had Ferange been aware that this patent was not part of the Hardware Portfolio, is immaterial. The salient point is: there is no adequate showing that, when the second maintenance fee payment for the above-identified patent was due, Ferange was neither instructed nor intended that the payment be made, such that the patent would continue in force. Rather, Ferange, as instructed to do, intentionally withheld payment of the maintenance fee. Ferange intended that the patent expire. As such, it is antithetical to the meaning of "unintentional," to now accept the maintenance fee and reinstate the patent.

Petitioners seek to avoid the consequences of the deliberate decision of Ferange by contending that it was a "mistake of fact" on the part of Ferange that he failed to recognize that the instant patent was not part of the Hardware Portfolio, and that Ferange was therefore without authority to pay, or not pay, the maintenance fee on the subject patent. Manifestly, this argument must fall of its own weight, as Ferange acted as instructed and

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[16] Id.

[17] G, supra; Maldague, supra.

made the deliberate decision not to pay the maintenance fee. That is, Ferange was the responsible person. Accordingly, the U.S. Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the patent holder, and petitioner is bound by the consequences of those actions or inactions.[18]

35 U.S.C. § 41(c)(1) authorizes the Director to accept the delayed payment of a maintenance fee under 35 U.S.C. § 41(b) if, *inter alia*, "the delay is shown to the satisfaction of the Director to have been unintentional." In this case, petitioners have failed to carry the burden to establish that the delay in paying third maintenance fee payment for the above-identified patent was not unintentional on the part of Ferange. Obviously, a delay resulting from a deliberate decision by the relevant party (Ferange) not to pay a maintenance fee cannot reasonably be characterized as an "unintentional" delay within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c). That Intellect now seeks to revisit Ferange's decision does not cause the delay resulting from Ferange's deliberate decision not to pay the third maintenance fee for the above-identified patent to become an "unintentional" delay under 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c). Moreover, no reason has been given or is apparent as to why the delay resulting from Ferange's decision and subsequent, deliberate action (or inaction) is not binding on Intellect.

DECISION

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of October 14, 2010, has been reconsidered; however, the petition to accept under 37 CFR 1.378(c) the delayed payment of a maintenance fee and reinstate the above-identified patent is **DENIED**.
As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since the above-identified patent will not be reinstated, the $3800.00 maintenance fee and $1640.00 surcharge submitted by petitioner will be refunded to counsel's deposit account No. 11-0600. The $400.00 fee for requesting reconsideration has been charged to the same account.

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[18] See California Medical Products v. Technol. Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995); Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987).

This patent file is being forwarded to the Files Repository.

Telephone inquiries related to this decision should be directed to Senior Petitions Attorney Douglas I. Wood at (571) 272-3231.

Anthony Knight
Director, Office of Petitions